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COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

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

CHFP025

Please do not write in this margin

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

*insert full name of Company

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number

01015

5139897

Name of company

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

Date of creation of the charge

(15 June 2004) 10 June 2004

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

A Standard Security which was presented for registration on 15 June 2004 AND

Amount secured by the mortgage or charge

05/10
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 Company to the Security Trustee (whether solely or jointly with one or more persons) under or pursuant to the Finance Documents (howsoever arising), and in implement pro tanto of the Debenture (but excluding therefrom any sums which may result in the Standard Security being in violation of the prohibition on financial assistance contained in Sections 151 or 152 of the Companies Act 1985).

(All capitalised terms not defined in this Form 395 are defined in the Schedule annexed hereto.)

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

Duetsche Bank AG as agent and security trustee for the Banks
Winchester House, 1 Great Winchester Street, London
("the Security Trustee").

Postcode EC2N 2DB

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

Tods Murray LLP
66 Queen Street
Edinburgh
EH2 4NE

RMM.CFM.D839.1005

Time critical reference

For official Use
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

ALL and WHOLE the subjects known as and forming Cranford House, Cranford Road, Aberdeen registered in the Land Register of Scotland under Title Number ABN 4376.

1

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

[Signature]

Date 21 June 2004

On behalf of ~~[company]~~ ~~[mortgagor]~~ [mortgagor/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

Definitions:-

"Acceding Borrower" means a newly formed single purpose entity which becomes a party to the Facility Agreement in accordance with Clause 24 of the Facility Agreement and is a company incorporated in England and Wales or in Jersey, Channel Islands or such other jurisdictions as the Agent may approve (such approval not to be unreasonably withheld or delayed) and which is an entity wholly owned directly or indirectly by Holdco.

"Acceding Property Company" means an entity which becomes a party to the Facility Agreement in accordance with Clause 23 of the Facility Agreement and is a company incorporated in England and Wales or Jersey, Channel Islands or such other jurisdiction as the Agent may approve (such approval not to be unreasonably withheld or delayed) and which is an entity wholly owned directly or indirectly by Holdco.

"Account Bank" means The Bank of Scotland, Jersey Branch or if the short-term unsecured and unsubordinated debt of such bank (or any bank which may subsequently become the Account Bank) is downgraded below A-1+ by Standard & Poor's, F-1 by Fitch or P-1 by Moody's or any replacement bank appointed in accordance with Clause 15.18 of the Facility Agreement.

"Accounts" means the Borrowing Accounts, the Deposit Accounts, the General Accounts, the Interest Retention Account, the Rent Collection Accounts and each Rent Deposit Account.

"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.

"Advance" means an advance (as from time to time reduced by prepayment or repayment) made or to be made by the Banks under the Facility Agreement which will be either an Acquisition Advance in relation to one or more Properties or a Top-Up Advance.

"Agent" means Deutsche Bank AG, London, Winchester House, 1 Great Winchester Street, London EC2N 2DB as agent for the Banks.

"Asset Manager" means Cannon Capital Management Limited (incorporated in England and Wales under company number 4694099) and any other asset manager which the Property Companies may appoint from time to time with the approval of the Agent (such approval to be in the sole discretion of the Agent) in addition to or in substitution for such company.

"Bank" means Deutsche Bank AG, London (*The Initial Bank*) (other than where it has ceased to be a party to the Facility Agreement) or any financial institution 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 the Initial Borrower and any Acceding Borrower other than a company released from its liabilities and obligations pursuant to Clause 24 of the Facility Agreement.

"Borrower Accession Notice" means a notice in the form set out in Part 2 of Schedule 7 to the Facility Agreement delivered or to be delivered to the Agent by the Borrower in respect of each company acceding as a Borrower under the Facility Agreement.

"Borrowing Accounts" means the bank accounts held by each of the Obligors with the Agent and used for the purpose of disbursing Advances and loans between members of the Group.

"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.

"Debenture" means the debenture executed by Cannon Life No. 1 (UK) Limited in favour of the Security Trustee in security *inter alios* of the performance of the obligations under the Facility Agreement dated 3 June 2004.

"Deposit Account" means the bank account so named to be used exclusively for the purposes set out in Clause 14 and Schedule 6 of the Facility Agreement held by the Borrower with the Agent.

"Duty of Care Agreement" means any duty of care agreement referred to in Clause 15.28(a) of the Facility Agreement.

"Facility Agreement" means the revolving warehouse facility agreement dated 29 April 2004 between, *inter alios*, the Property Company and the Security Trustee.

"Finance Documents" means each of 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 other document designated as a Finance Document by the Agent and the Borrower.

"General Account" means the bank account or bank accounts so named held by the Borrower or a Property Company (or the Asset Manager on its behalf) with the Account Bank.

"Group" means Holdco and its subsidiaries as may exist from time to time.

"Hedge" means any hedging arrangement entered into by the Borrower and a Hedge Counterparty and approved by the Placement Agent (such approval not to be unreasonably withheld or delayed) for the purposes of implementing the Hedging Policy in relation to any Advance.

"Hedge Counterparty" means Deutsche Bank AG, London or any other financial institution having a branch in London that is approved by the Agent (such approval not to be unreasonably withheld or delayed).

"Hedging Policy" means the hedging policy set out in the Eleventh Schedule to the Facility Agreement and any variation or replacement thereof agreed at any time by the Borrower and the Agent.

"Holdco" means Cannon Capital Property Holdings Limited (registered in the Island of Jersey, Channel Islands, under company number 85644), the registered office of which is at Whitely Chambers, Don Street, St Helier, Jersey, Channel Islands, JE4 9WG.

"Initial Borrower" means Cannon Capital Funding (UK) Limited (registered number 5110650), the registered office of which is at 145 Cannon Street, London EC4N 5BQ.

"Initial Debenture" means the debentures executed on 30th April 2004 by each of Holdco (with respect only to shares in the Borrower and the Property Companies), the Initial Borrower and the Initial Property Companies in favour of, *inter alios*, the Security Trustee in order to secure its respective obligations under the Finance Documents and any other debenture executed by any Property Company or Borrower in favour of, *inter alios*, the Security Trustee in order to secure their obligations under the Finance Documents.

"Initial Property Company" means each of: (a) Cannon Life No 1 Limited registered in the Island of Jersey, Channel Islands under company number 85646, (b) Cannon Life No 2 Limited registered in the Island of Jersey, Channel Islands under company number 85645.

"Interest Retention Account" means the bank account so named held by the Borrower with the Agent.

"Jersey Securities" means security interest agreements creating security interests pursuant to the Security Interests (Jersey) Law, 1983 executed by the Borrower and/or the Property Companies in respect of each of the Accounts (except the Rent Deposit Accounts) granted pursuant to Clause 3.2 of the Initial Debenture.

"Northern Ireland Property" means any Property situated in Northern Ireland.

"Northern Ireland Securities" means each mortgage or sub-mortgage over a Northern Ireland Property granted pursuant to Clause 3.4 of the Initial Debenture.

"Obligor" means each of the Borrower, each Property Company and Holdco.

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

"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.

"Placement Agent" means Deutsche Bank AG London, Winchester House, 1 Great Winchester Street, London EC2N 2DB.

"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 Company" means the Initial Property Companies and any Acceding Property Company other than a company released from its liabilities and obligations pursuant to Clause 23.2 of the Facility Agreement.

"Property Company Accession Notice" means a notice in the form set out in Part 1 of Schedule 7 to the Facility Agreement delivered or to be delivered to the Agent by the Borrower and the relevant Acceding Property Company in respect of each company acceding as a Property Company under the Facility Agreement.

"Rent Collection Account" means the bank account or bank accounts used for rent collection and held with the Account Bank, in the name of each Property Company (or the Asset Manager as rent collection agent).

"Rent Deposit Accounts" means a bank account or bank accounts so named held by the relevant Property Company (or the Asset Manager on its behalf) with the Account Bank in respect of any rent deposit sum provided by an Operator pursuant to an Operating Lease.

"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.

"Scottish Property" means any Property situated in Scotland.

"Scottish Securities" means each Standard Security over a Scottish Property, the Standard Security over the Standard Securities and the assignation of rents granted pursuant to Clause 3.4 of the Initial Debenture and the Scots law floating charge between the Initial Property Companies and the Agent and Security Trustee dated 30th April 2004.

"Security Documents" means each debenture, the Scottish Securities, the Northern Ireland Securities, the Jersey Securities and any pledge or charge over the shares of the Borrower or the Property Companies granted to the Security Trustee at any time each other document designated as a Security Document by the Agent and the Borrower.

"Standard Security" means a standard security in terms of the Conveyancing and Feudal Reform (Scotland) Act 1970.

"Subordination Deed" means collectively the deed or deeds of subordination entered into from time to time, inter alios, between the Agent and the Obligors (or any of them).

"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) 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.

"Transfer Certificate" means the certificate in the form set out in schedule 3 to the Facility Agreement pursuant to which a Bank becomes party to the Facility Agreement.

"Transferee" means any financial institution which accedes to the Facility Agreement pursuant to clause 28.5 of the Facility Agreement.

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COMPANIES FORM No. 398

Notice of registration in Scotland or Northern Ireland of a charge comprising property situate there

398

CHFP025

Please do not
write in
this margin

Pursuant to section 398(4) of the Companies Act 1985

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

To the Registrar of Companies
(Address overleaf)

Company number

5239897

Name of company

* Cannon Life No. 1 (UK) Limited

* insert full name
of company

| Roddy M MacLennan for Tods Murray LLP

of 66 Queen Street, Edinburgh EH2 4NE

§ give date and
parties to charge

certify that the charges comprising Standard Security by Cannon Life No.1 (UK)
Limited in favour of Deutsche Bank AG as Security Trustee dated 10 June 2004

of which a true copy is annexed to this form was presented for registration on 15 June 2004

† delete as
appropriate

in [Scotland] ~~[Northern Ireland]~~

Signed



Date 21 June 2004

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

Tods Murray LLP
66 Queen Street
Edinburgh
EH2 4NE

DX ED58 Edinburgh
RMM.CFM.D839.1005

For official Use
Mortgage Section

Post room

Notes

The address for the Registrar of Companies is:-

Companies House
Crown Way
Cardiff
CF14 3UZ

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 STANDARD SECURITY WHICH WAS PRESENTED FOR REGISTRATION IN SCOTLAND ON 15TH JUNE 2004 AND DATED THE 10th JUNE 2004 AND CREATED BY CANNON LIFE NO.1 (UK) LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY AND/OR ALL OR ANY OF THE OTHER COMPANIES NAMED THEREIN TO DUETSCHKE BANK AG AS AGENT AND SECURITY TRUSTEE FOR THE BANKS 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 22nd JUNE 2004.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 24th JUNE 2004.

P. Ran



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES