

M

COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

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

[121]

05139897

Name of company

* CANNON LIFE NO. 1 (UK) LIMITED (the "Company")

Date of creation of the charge

04.02.05

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

Assignment of Rents

Amount secured by the mortgage or charge

All monies, costs, charges, expenses, liabilities and obligations whether certain or contingent at the date of execution or thereafter may be or become due, owing or incurred by the Initial Borrower, Holdco or the 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 security of the covenant and undertaking of the Initial Borrower and the Property Company specified in Clause 2 of the Debenture 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).

In this Form 395:-

"Debenture" means the debenture dated 29 April 2004 and executed by the Company, the Initial Borrower and Holdco in favour of the Security Trustee in security inter alios of the performance of the obligations under the Facility Agreement.

(For other definitions, see schedule annexed.)

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

Deutsche Bank AG, Winchester House, 1 Great Winchester Street, London
as Security Trustee for the Banks

Postcode EC2B 2DB

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

Tods Murray LLP
Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9AG

RMM.JXC.D00839.1014

Time critical reference

For official Use
Mortgage Section

Post room



8CT 89E092WA
COMPANIES HOUSE

1266
16/02/05

Short particulars of all the property mortgaged or charged

The whole right, title and interest in and to the rent and all other monies dues and to become due to the Company in terms of the leases of the Properties as the said Leases may be amended, varied or supplemented from time to time (the "Leases"), such rent and other monies to include arrears of rent (if any) existing at 4 February 2005, such increase of rent as may become payable at any time thereafter and all interest as may be payable from time to time on such rent under the Leases (except from the Value Added Tax on the foregoing sums).

Properties means:-

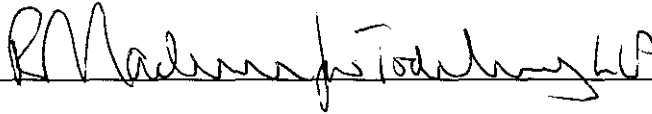
- (1) Avonbridge Nursing Home, Old Avon Road, Hamilton, registered in the Land Register of Scotland under Title Number LAN81638;
- (2) Sefton Park, Carlisle Road, Larkhall, registered in the Land Register of Scotland under Title Number LAN63127;
- (3) Balvaire (including Mardon House), West Abercromby Street, Helensburgh, registered in the Land Register of Scotland under Title Numbers DMB16970 and DMB29164;
- (4) Kingsgate, East Kilbride, registered in the Land Register of Scotland under Title Numbers LAN105223, LAN32771, LAN97705, LAN92559 and LAN33862.

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)

Not applicable

Signed  Date .02.05

On behalf of ~~XXXXXX~~ [mortgagee/chargee] † .02.05

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

Schedule to the foregoing Form 395

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.

"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.

"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*, Holdco, the Initial Borrower, 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.

"Security Trustee" means Deutsche Bank AG, Winchester House, 1 Great Winchester Street, London EC2B 2DB.

"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.

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 AN ASSIGNATION OF RENTS DATED THE 4th FEBRUARY 2005 AND CREATED BY CANNON LIFE NO.1 (UK) LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE INITIAL BORROWER, CANNON CAPITAL PROPERTY HOLDINGS LIMITED OR THE COMPANY TO DEUTSCHE BANK AG AS SECURITY TRUSTEE FOR THE BANKS 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 18th FEBRUARY 2005.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 23rd FEBRUARY 2005.

GRH
P.



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES