

# M

CHFP041

COMPANIES FORM No. 400

## Particulars of a mortgage or charge subject to which property has been acquired

# 400

A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge.

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 400 of the Companies Act 1985

To the Registrar of Companies  
(Address overleaf - Note 4)

For official use

Company number

1

06897272

Name of company

McCarthy & Stone Rental Interests No. 1 Limited (the **Company**)

Date and description of the instrument (if any) creating or evidencing the mortgage or charge (note 1)

Please see continuation sheet 1.

Amount secured by the mortgage or charge Please see continuation sheets 2 - 17.

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

The Bank of New York Mellon, London Branch  
One Canada Square, London, E14 5AL.

Short particulars of the property mortgaged or charged

Portman Court, Uckfield (registered at the Land Registry with title absolute under title number ESX55287).

Continue overleaf as necessary

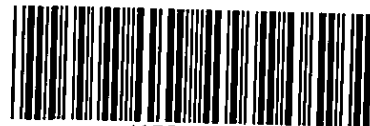
Presenter's name address and reference (if any):

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

Time critical reference

For official use (02/2006)  
Mortgage Section

TUESDAY



\*A7QZTAR0\*

A24

16/06/2009

13

COMPANIES HOUSE

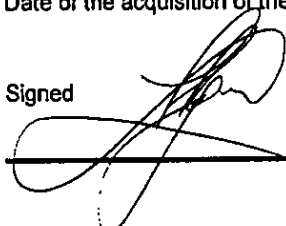
Short particulars of the property mortgaged or charged (continued)

Please do not  
write in  
this margin

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

Date of the acquisition of the property 28 May 2009

Signed



Designation † Director

Date 15/6/09

A fee is payable to  
Companies House  
in respect of each  
register entry for a  
mortgage or  
charge.  
(See Note 3)

Notes

1. A description of the instrument, e.g., "Trust Deed", "Debenture", etc, as the case may be, should be given.

2. A verified copy of the instrument must be delivered with these particulars correctly completed to the Registrar of Companies within 21 days after the date of the completion of the acquisition of the property which is subject to the charge. 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. If the property is situated and the charge was created outside Great Britain, they must be delivered within 21 days after the date on which the copy of the instrument could in due course of post, and if despatched with due diligence have been received in the United Kingdom.

3. A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge.

Cheques and Postal Orders are to be made payable to Companies House.

4. The address of the Registrar of Companies is:-

Companies House  
Crown Way  
Cardiff  
CF14 3UZ

† Insert  
Director,  
Secretary,  
Administrator,  
or  
Administrative  
Receiver as  
appropriate

**CONTINUATION SHEET 1**

**DATE AND DESCRIPTION OF THE INSTRUMENT (IF ANY) CREATING OR  
EVIDENCING THE MORTGAGE OR CHARGE**

Fixed and floating security document (the *Security Document*) dated 24 April 2009 between, among others, McCarthy & Stone Retirement Lifestyles Limited (formerly known as Hackremco (No. 2581) Limited) and The Bank of New York Mellon, London Branch as security agent for the benefit of the Secured Parties (the *Security Agent*).

## CONTINUATION SHEET 2

### AMOUNT SECURED BY THE MORTGAGE OR CHARGE

The *Liabilities*, which are defined in the Security Document as meaning all present and future moneys, debts and liabilities due, owing or incurred by, among others, McCarthy & Stone Retirement Lifestyles Limited to:

a) any Finance Party under or in connection with any Finance Document; and

b) any Hedge Counterparty under or in connection with any Hedging Agreement,

(in each case, whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently and whether as principal, surety or otherwise).

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## CONTINUATION SHEET 3

### DEFINITIONS

**Accession Deed** means a document substantially in the form set out in Part I of Schedule 7 (*Form of Accession Deed*) of the Facility Agreement;

**Accounting Principles** means generally accepted accounting principles in the UK;

**Acquisition** means the acquisition by the Parent of the Intellectual Property and goodwill of McCarthy & Stone plc (in administration) and certain of the Transferring Companies pursuant to the Business Sale Agreement (Plc) and the acquisition by McCarthy & Stone Retirement Lifestyles Limited of the trading assets and liabilities, Intellectual Property and offices of the Parent and certain of the Transferring Companies pursuant to the Business Sale Agreement (Developments);

**Acquisition Agreements** means the Business Sale Agreement (Developments) and the Business Sale Agreement (Plc);

**Acquisition Documents** means the Acquisition Agreements, the Scheme Documents and any other document designated as an "Acquisition Document" by the Agent and Holdco;

**Additional Borrower** means a company which becomes a Borrower in accordance with Clause 31 (*Changes to the Obligors*) of the Facility Agreement;

**Additional Guarantor** means a company which becomes a Guarantor in accordance with Clause 31 (*Changes to the Obligors*) of the Facility Agreement;

**Affiliate** means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company;

**Agent** means The Bank of New York Mellon, London Branch;

**Ancillary Document** means each document relating to or evidencing the terms of an Ancillary Facility;

**Ancillary Facility** means any ancillary facility made available by an Ancillary Lender in accordance with Clause 9 (*Ancillary Facilities*) of the Facility Agreement;

**Ancillary Lender** means each Lender (or Affiliate of a Lender) which makes available an Ancillary Facility in accordance with Clause 9 (*Ancillary Facilities*) of the Facility Agreement;

**Arranger** means any bank, financial institution, trust, fund or other entity, which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets appointed as arranger in respect of the Back Stop Facility and/or the Incremental Term Facility;

**Back Stop Facility** means the term loan facility as described in Clause 2.2 (*Back Stop Facility*) of the Facility Agreement;

## CONTINUATION SHEET 4

**Back Stop Facility Checklist** means a checklist substantially in the form set out in Part I of Schedule 13 (*Uncommitted Facility Checklist*) of the Facility Agreement;

**Back Stop Facility Commitment** means, in the event the Back Stop Facility becomes committed pursuant to Clause 2.2 (*Back Stop Facility*) of the Facility Agreement:

- (a) in relation to any Back Stop Facility Lender, the aggregate amount of that Back Stop Facility Lender's commitment, as agreed in writing with Holdco, in respect of the Back Stop Facility and as set out in the Back Stop Facility Checklist; and
- (b) in relation to any other Lender, the amount in the Base Currency of any proportion of Back Stop Facility Commitment transferred to it from a Back Stop Facility Lender under the Facility Agreement,

to the extent not cancelled, reduced, assigned or transferred by it under the Facility Agreement;

**Back Stop Facility Lender** means:

- (a) any bank, financial institution, trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets, which agrees to make available a Back Stop Facility Loan in accordance with Clause 2.2 (*Back Stop Facility*) of the Facility Agreement and which has received the prior consent of the Special Majority Lenders under that Clause of the Facility Agreement, and which becomes a Party in accordance with Clause 29 (*Changes to the Lenders*) of the Facility Agreement; or
- (b) each Lender which makes available a Back Stop Facility Loan in accordance with Clause 2.2 (*Back Stop Facility*) of the Facility Agreement,

which, in either case, has not ceased to be a Party in accordance with the terms of the Facility Agreement;

**Back Stop Facility Loan** means a loan made or to be made under the Back Stop Facility or the principal amount outstanding for the time being of that loan;

**Base Currency** means sterling;

**Borrower** means an Original Borrower or an Additional Borrower unless it has ceased to be a Borrower in accordance with Clause 31 (*Changes to the Obligors*) of the Facility Agreement;

**Business Sale Agreement (Developments)** means the agreement in respect of the Acquisition dated on or around the date of the Facility Agreement and made between, amongst others, the Parent and McCarthy & Stone Retirement Lifestyles Limited;

**Business Sale Agreement (Plc)** means the agreement in respect of the Acquisition dated on or around the date of the Facility Agreement and made between, amongst others, McCarthy & Stone plc (in administration) and the Parent;

**Charged Property** means all of the assets of the Obligors which from time to time are, or are expressed to be, the subject of the Transaction Security;

## CONTINUATION SHEET 5

**Chargor** means each of Holdco, the Parent and McCarthy & Stone Retirement Lifestyles Limited;

**Closing Date** means the date on which Completion occurs;

**Commitment** means a Facility A Commitment, a Facility B1 Commitment, a Facility B2 Commitment, a PIK Facility Commitment, a Restructuring Facility Commitment or a Revolving Facility Commitment and, in the event the Back Stop Facility and/or Incremental Term Facility are made available pursuant to Clause 2.2 (*Back Stop Facility*) of the Facility Agreement and Clause 2.3 (*Incremental Term Facility*) of the Facility Agreement respectively, a Back Stop Facility Commitment and an Incremental Term Facility Commitment;

**Completion** means the date the Debt Discharge Agreement is effective in accordance with its terms and the Acquisition is completed in accordance with the Acquisition Documents;

**Compliance Certificate** means a certificate substantially in the form set out in Schedule 9 (*Form of Compliance Certificate*) of the Facility Agreement;

**Constitutional Documents** means the memorandum and articles of association of Holdco in the agreed form;

**Debt Discharge Agreement** means a debt discharge agreement entered into on or about the date of the Facility Agreement by, amongst others, the Original Lenders, McCarthy & Stone Retirement Lifestyles Limited and the Parent, McCarthy & Stone plc (in administration) and the administrators (as defined therein);

**Debt Transfer Agreement** means a debt transfer agreement in substantially the same form as set out in Schedule 15 (*Form of Debt Transfer Agreement*) of the Facility Agreement and to be entered into pursuant to and in connection with Clause 30 (*Post-Closing adjustments*) of the Facility Agreement;

**Delegate** means any delegate, agent, attorney or co-trustee appointed by the Security Agent;

**Facility A** means the term loan facility made available under the Facility Agreement as described in paragraph (a)(i) of Clause 2.1 (*The Facilities*) of the Facility Agreement;

**Facility A Commitment** means:

- (a) in relation to an Original Lender, the amount in the Base Currency set opposite its name under the heading "Facility A Commitment" in Part II or Part III of Schedule 1 (*The Original Parties*) of the Facility Agreement and the amount of any other Facility A Commitment transferred to it under the Facility Agreement; and
- (b) in relation to any other Lender, the amount in the Base Currency of any Facility A Commitment transferred to it under the Facility Agreement,

to the extent not cancelled, reduced, assigned or transferred by it under the Facility Agreement;

## CONTINUATION SHEET 6

**Facility A Loan** means a loan made, or deemed to be made, available under Facility A or the principal amount outstanding for the time being of that loan;

**Facility B1** means the term loan facility made available under the Facility Agreement as described in paragraph (a)(ii) of Clause 2.1 (*The Facilities*) of the Facility Agreement;

**Facility B1 Commitment** means:

- (a) in relation to an Original Lender, the amount in the Base Currency set opposite its name under the heading "Facility B1 Commitment" in Part II or Part III of Schedule 1 (*The Original Parties*) of the Facility Agreement and the amount of any other Facility B1 Commitment transferred to it under the Facility Agreement; and
- (b) in relation to any other Lender, the amount in the Base Currency of any Facility B1 Commitment transferred to it under the Facility Agreement,

to the extent not cancelled, reduced, assigned or transferred by it under the Facility Agreement;

**Facility B1 Loan** means a loan made, or deemed to be made, available under Facility B1 or the principal amount outstanding for the time being of that loan;

**Facility B2** means the term loan facility made available under the Facility Agreement as described in paragraph (a)(iii) of Clause 2.1 (*The Facilities*) of the Facility Agreement;

**Facility B2 Commitment** means:

- (a) in relation to an Original Lender, the amount in the Base Currency set opposite its name under the heading "Facility B2 Commitment" in Part II or Part III of Schedule 1 (*The Original Parties*) of the Facility Agreement and the amount of any other Facility B2 Commitment transferred to it under the Facility Agreement; and
- (b) in relation to any other Lender, the amount in the Base Currency of any Facility B2 Commitment transferred to it under the Facility Agreement,

to the extent not cancelled, reduced, assigned or transferred by it under the Facility Agreement;

**Facility B2 Loan** means a loan made, or deemed to be made, available under Facility B2 or the principal amount outstanding for the time being of that loan;

**Facility Agreement** means the facilities agreement dated 24 April 2009 between, amongst others, Holdco, the Lenders named in that agreement, the Agent, the Issuing Bank and the Security Agent (as amended from time to time);



## CONTINUATION SHEET 7

**Fee Letter** means:

- (a) any letter or letters dated on or about the date of the Facility Agreement between the Agent and Holdco (or the Security Agent and Holdco) setting out any of the fees referred to in Clause 17 (*Fees*) of the Facility Agreement;
- (b) any agreement setting out fees payable to a Finance Party referred to in Clause 17.5 (*Fees payable in respect of Letters of Credit*) of the Facility Agreement or Clause 17.6 (*Interest, commission and fees on Ancillary Facilities*) of the Facility Agreement or under any other Finance Document; and
- (c) any letter or letters dated after 24 April 2009 between the Arranger, if any, and Holdco (or the Agent and Holdco or the Security Agent and Holdco) with respect to the Back Stop Facility or the Incremental Term Facility;

**Finance Document** means the Facility Agreement, any Accession Deed, any Ancillary Document, any Compliance Certificate, any Fee Letter, any Hedging Agreement, the Intercreditor Agreement, any Resignation Letter, any Selection Notice, any Transaction Security Document, any Utilisation Request, the Debt Transfer Agreement, the Subscription and Release of Debt Agreement and any other document designated as a "Finance Document" by the Agent and Holdco provided that a Hedging Agreement shall be a Finance Document only for the purposes of:

- (a) the definition of "Material Adverse Effect" within the Facility Agreement;
- (b) paragraph (a) of the definition of "Permitted Transaction" within the Facility Agreement;
- (c) the definition of "Transaction Document" within the Facility Agreement;
- (d) the definition of "Transaction Security Document" within the Facility Agreement;
- (e) paragraph (a)(iv) of Clause 1.2 (*Construction*) of the Facility Agreement;
- (f) Clause 23 (*Guarantee and Indemnity*) of the Facility Agreement; and
- (g) Clause 28 (*Events of Default*) of the Facility Agreement (other than paragraph (b) of Clause 28.15 (*Repudiation and rescission of agreements*) of the Facility Agreement and Clause 28.18 (*Acceleration*) of the Facility Agreement);

## CONTINUATION SHEET 8

***Finance Party*** means the Agent, the Security Agent, a Lender, the Issuing Bank, a Hedge Counterparty or any Ancillary Lender provided that a Hedge Counterparty shall be a Finance Party only for the purposes of:

- (a) the definition of "Reliance Parties" within the Facility Agreement;
- (b) the definition of "Secured Parties" within the Facility Agreement;
- (c) paragraph (a)(i) of Clause 1.2 (*Construction*) of the Facility Agreement;
- (d) paragraph (c) of the definition of "Material Adverse Effect" within the Facility Agreement;
- (e) Clause 23 (*Guarantee and Indemnity*) of the Facility Agreement; and
- (f) Clause 33 (*Conduct of Business by the Finance Parties*) of the Facility Agreement;

## CONTINUATION SHEET 9

**Financial Indebtedness** means any indebtedness for or in respect of:

- (a) moneys borrowed and debit balances at banks or other financial institutions;
- (b) any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);
- (c) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of finance leases;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirement for de-recognition under the Accounting Principles);
- (f) for the purposes only of Clause 28.5 (*Cross default*) of the Facility Agreement, any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of (i) an underlying liability of an entity which is not a member of the Group which liability would fall within one of the other paragraphs of this definition or (ii) any liabilities of any member of the Group relating to any post-retirement benefit scheme;
- (h) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 90 days after the date of supply;
- (i) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing; and
- (j) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (i) above;

**Guarantor** means an Original Guarantor or an Additional Guarantor, unless it has ceased to be a Guarantor in accordance with Clause 31 (*Changes to the Obligors*) of the Facility Agreement;

## CONTINUATION SHEET 10

**Hedge Counterparty** means:

- (a) any original hedge counterparty; and
- (b) any person which has become a Party as a Hedge Counterparty in accordance with Clause 29.8 (*Accession of Hedge Counterparties*) of the Facility Agreement,

which, in each case, is or has become a party to the Intercreditor Agreement as a Hedge Counterparty in accordance with the provisions of the Intercreditor Agreement;

**Hedging Agreement** means any master agreement, confirmation, schedule or other agreement entered into or to be entered into by a Borrower and a Hedge Counterparty for the purpose of hedging interest rate liabilities and/or risks in relation to Facility A, Facility B1 and the cash pay element of the Restructuring Facility (excluding any capitalised interest pursuant to Clause 14.3 (*Payment of interest - PIK Margin*) of the Facility Agreement) which, at the time that that master agreement, confirmation, schedule or other agreement (as the case may be) is entered into, the Hedging Letter requires to be hedged;

**Hedging Letter** means the letter dated on or before 24 April 2009 and made between the Agent and Holdco describing the hedging arrangements to be entered into in respect of the interest rate liabilities and/or the exchange rate risks of the Borrowers of, and in relation to, the Facility A, Facility B1 and the cash pay element of the Restructuring Facility;

**Holdco** means McCarthy & Stone Limited;

**Holdco Shareholders' Agreement** means the shareholders' agreement dated on or about 24 April 2009 and made between Holdco, the lender shareholders (as defined therein and listed in Part A of Schedule 1 therein) and the SPVCo shareholders (as defined therein and listed in Part B of Schedule 1 therein);

**Holding Company** means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary;

**Incremental Term Facility** means the term loan facility as described in Clause 2.3 (*Incremental Term Facility*) of the Facility Agreement;

**Incremental Term Facility Checklist** means a checklist substantially in the form set out in Part II of Schedule 13 (*Uncommitted Facility Checklist*) of the Facility Agreement;

## CONTINUATION SHEET 11

***Incremental Term Facility Commitment*** means, in the event the Incremental Term Facility becomes committed pursuant to Clause 2.3 (*Incremental Term Facility*) of the Facility Agreement:

- (a) in relation to any Incremental Term Facility Lender, the aggregate amount of that Incremental Term Facility Lender's Commitment, as agreed in writing with Holdco, in respect of the Incremental Term Facility and as set out in the Incremental Term Facility Checklist; and
- (b) in relation to any other Lender, the amount in the Base Currency of any proportion of Incremental Term Facility Commitment transferred to it under the Facility Agreement,

to the extent not cancelled, reduced, assigned or transferred by it under the Facility Agreement;

***Incremental Term Facility Lender*** means:

- (a) any bank, financial institution, trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets which agrees to make available an Incremental Term Facility Loan in accordance with Clause 2.3 (*Incremental Term Facility*) of the Facility Agreement and which has received the prior consent of the Special Majority Lenders under that Clause, and which becomes a Party in accordance with Clause 29 (*Changes to the Lenders*) of the Facility Agreement; or
- (b) each Lender which makes available an Incremental Term Facility Loan in accordance with Clause 2.3 (*Incremental Term Facility*) of the Facility Agreement,

which, in either case, has not ceased to be a Party in accordance with the terms of the Facility Agreement;

***Incremental Term Facility Loan*** means a loan made or to be made under the Incremental Term Facility or the principal amount outstanding for the time being of that loan;

***Issuing Bank*** means Bank of Scotland plc;

***Intercreditor Agreement*** means the intercreditor agreement dated 24 April 2009 made between, among others, Holdco, the Parent, McCarthy & Stone Retirement Lifestyles Limited, the Debtors (as defined in the Intercreditor Agreement), the Security Agent, the Agent, the Lenders (as senior lenders (as defined in the Intercreditor Agreement)), the Ancillary Lenders (as senior lenders), the Hedge Counterparties, the intra-group lender (as defined in the Intercreditor Agreement);

***Intellectual Property*** means any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights (which may now or in the future subsist), whether registered or unregistered, including applications for any of the foregoing;

## CONTINUATION SHEET 12

***Lender*** means:

- (a) any Original Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party as a Lender in accordance with Clause 29 (*Changes to the Lenders*) of the Facility Agreement or the Debt Transfer Agreement in accordance with Clause 30 (*Post-Closing adjustments*) of the Facility Agreement,

which, in each case, has not ceased to be a Lender in accordance with the terms of the Facility Agreement;

***Letter of Credit*** means:

- (a) a letter of credit, substantially in the form set out in Schedule 11 (*Form of Letter of Credit*) of the Facility Agreement or in any other form requested by Holdco and agreed by the Agent with the prior consent of the Majority Lenders and the Issuing Bank; or
- (b) any guarantee, indemnity or other instrument in a form requested by a Borrower (or Holdco on its behalf) and agreed by the Agent with the prior consent of the Majority Lenders and the Issuing Bank;

***Loan*** means a Term Loan or a Revolving Facility Loan;

***McCarthy & Stone Developments Scheme*** means, in relation to the Parent, the scheme of arrangement under Part 26 of the Companies Act 2006 between the Parent and certain of its creditors and sanctioned by the Court;

### CONTINUATION SHEET 13

**Majority Lenders** means:

- (a) for the purposes of paragraph (a) of Clause 41.1 (*Required consents*) of the Facility Agreement in the context of a waiver in relation to a proposed Utilisation of:
- (i) the Revolving Facility (other than a Utilisation on the Closing Date), of the condition in Clause 4.2 (*Further conditions precedent*) of the Facility Agreement, a Lender or Lenders whose Revolving Facility Commitments aggregate more than 66⅔ per cent. of the Total Revolving Facility Commitments;
- (ii) the Restructuring Facility (other than a Utilisation on the Closing Date), of the condition in Clause 4.2 (*Further conditions precedent*) of the Facility Agreement a Lender or Lenders whose Restructuring Facility Commitments aggregate more than 66⅔ per cent. of the Total Restructuring Facility Commitments;
- (iii) the Back Stop Facility, of the condition in Clause 4.2 (*Further conditions precedent*) of the Facility Agreement a Lender or Lenders whose Back Stop Facility Commitments aggregate more than 66⅔ per cent. of the Total Back Stop Facility Commitments;
- (iv) the Incremental Term Facility, of the condition in Clause 4.2 (*Further conditions precedent*) of the Facility Agreement a Lender or Lenders whose Incremental Term Facility Commitments aggregate more than 66⅔ per cent. of the Total Incremental Facility Commitments; and
- (b) (in any other case), a Lender or Lenders whose Commitments aggregate more than 66⅔ per cent. of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 66⅔ per cent. of the Total Commitments immediately prior to that reduction);

**Material Adverse Effect** means any event or circumstance which, in the reasonable opinion of the Majority Lenders, is reasonably likely to have an adverse effect on:

- (a) the ability of an Obligor to perform its payment obligations under any of the Finance Documents; or
- (b) the ability of an Obligor to perform its obligations under the financial covenants; or
- (c) the business, operations, property, assets or condition (financial or otherwise) of the Group taken as a whole; or
- (d) the validity or enforceability of, or the effectiveness or ranking of any Security granted or purporting to be granted pursuant to any of the Finance Documents or the rights or remedies of any Finance Party under any of the Finance Documents;

**Obligor** means a Borrower or a Guarantor;

**Original Borrower** means the Parent and McCarthy & Stone Retirement Lifestyles Limited;

## CONTINUATION SHEET 14

**Original Guarantor** means Holdco, the Parent and McCarthy & Stone Retirement Lifestyles Limited;

**Original Lender** means each of the Lenders listed in Part II of Schedule 1 (*The Original Lenders - other than UK Non-Bank Lenders*) of the Facility Agreement and Pt III of Schedule 1 (*The Original Lenders - UK Non-Bank Lenders*) of the Facility Agreement;

**Parent** means McCarthy & Stone (Developments) Limited (in administration);

**Party** means a party to the Facility Agreement;

**Permitted Transaction** means:

- (a) any disposal required, Financial Indebtedness incurred, guarantee, indemnity or Security or Quasi-Security given, or other transaction arising, under the Finance Documents;
- (b) the solvent liquidation or reorganisation of any member of the Group which is not an Obligor so long as any payments or assets distributed as a result of such liquidation or reorganisation are distributed to other members of the Group; or
- (c) transactions (other than (i) any sale, lease, licence, transfer or other disposal and (ii) the granting or creation of Security or the incurring or permitting to subsist of Financial Indebtedness) conducted in the ordinary course of trading on arm's length terms;

**PIK Facility** means the term loan facility made available under the Facility Agreement as described in paragraph (a)(iv) of Clause 2.1 (*The Facilities*) of the Facility Agreement;

**PIK Facility Commitment** means:

- (a) in relation to an Original Lender, the amount in the Base Currency set opposite its name under the heading "PIK Facility Commitment" in Part II or Part III of Schedule 1 (*The Original Parties*) of the Facility Agreement and the amount of any other PIK Facility Commitment transferred to it under the Facility Agreement; and
- (b) in relation to any other Lender, the amount in the Base Currency of any PIK Facility Commitment transferred to it under the Facility Agreement,

to the extent not cancelled, assigned, reduced or transferred by it under the Facility Agreement;

**PIK Facility Loan** means a loan made, or deemed be made, available under the PIK Facility or the principal amount outstanding for the time being of that loan;

**Plc Scheme** means, in relation to McCarthy & Stone plc (in administration), the scheme of arrangement under Part 26 of the Companies Act 2006 between McCarthy & Stone plc and certain of its creditors and sanctioned by the Court;

**Quasi-Security** has the meaning given to that term in Clause 27.14 (*Negative pledge*) of the Facility Agreement;



## CONTINUATION SHEET 15

**Receiver** means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property;

**Resignation Letter** means a letter substantially in the form set out in Schedule 8 (*Form of Resignation Letter*) of the Facility Agreement;

**Restructuring Facility** means the term loan facility made available under the Facility Agreement as described in paragraph (b)(i) of Clause 2.1 (*The Facilities*) of the Facility Agreement;

**Restructuring Facility Commitment** means:

- (a) in relation to an Original Lender, the amount in the Base Currency set opposite its name under the heading "Restructuring Facility Commitment" in Part II or Part III of Schedule 1 (*The Original Parties*) of the Facility Agreement and the amount of any other Restructuring Facility Commitment transferred to it under the Facility Agreement; and
- (b) in relation to any other Lender, the amount in the Base Currency of any Restructuring Facility Commitment transferred to it under the Facility Agreement,

to the extent not cancelled, reduced, assigned or transferred by it under the Facility Agreement;

**Revolving Facility** means the revolving credit facility made available under the Facility Agreement as described in paragraph (b)(ii) of Clause 2.1 (*The Facilities*) of the Facility Agreement;

**Revolving Facility Commitment** means:

- (a) in relation to an Original Lender, the amount in the Base Currency set opposite its name under the heading "Revolving Facility Commitment" in Part II or Part III of Schedule 1 (*The Original Parties*) of the Facility Agreement and the amount of any other Revolving Facility Commitment transferred to it under the Facility Agreement; and
- (b) in relation to any other Lender, the amount in the Base Currency of any Revolving Facility Commitment transferred to it under the Facility Agreement,

to the extent not cancelled, reduced, assigned or transferred by it under the Facility Agreement;

**Revolving Facility Loan** means a loan made or to be made under the Revolving Facility or the principal amount outstanding for the time being of that loan;

**Schemes** means the McCarthy & Stone Developments Scheme or the Plc Scheme;

**Scheme Documents** means the documents implementing the Schemes and the Debt Discharge Agreement;

**Secured Parties** means each Finance Party from time to time party to the Facility Agreement and any Receiver or Delegate;

## CONTINUATION SHEET 16

**Security** means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

**Selection Notice** means a notice substantially in the form set out in Part II of Schedule 3 (*Requests*) of the Facility Agreement given in accordance with Clause 15 (*Interest Periods*) of the Facility Agreement in relation to a Term Facility;

**Shareholders' Agreement** means the Holdco Shareholders' Agreement and the SPVCo Shareholders' Agreement;

**Special Majority Lenders** means a Lender or Lenders whose Commitments aggregate more than 75 per cent. of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 75 per cent. of the Total Commitments immediately prior to that reduction);

**SPVCo Shareholders' Agreement** means the shareholders' agreement dated on or before 24 April 2009 and made between Mandarin 1 Limited (formerly known as Hackremco (No. 2582) Limited) a company incorporated in England and Wales with registration number 6711283 and the SPVCo shareholders (as defined therein and listed in Schedule 1 therein);

**Subscription and Release of Debt Agreement** means a subscription and release of debt agreement in substantially the same form as set out in Schedule 16 (*Form of Subscription and Release of Debt Agreement*) of the Facility Agreement and to be entered into pursuant to, and in connection with, Clause 30 (*Post-Closing adjustments*) of the Facility Agreement;

**Subsidiary** means a subsidiary within the meaning of section 1159 of the Companies Act 2006;

**Term Facility** means Facility A, Facility B1, Facility B2, the PIK Facility, the Back Stop Facility, the Incremental Term Facility or the Restructuring Facility;

**Term Loan** means a Facility A Loan, a Facility B1 Loan, a Facility B2 Loan, a PIK Facility Loan, a Back Stop Facility Loan, an Incremental Term Facility Loan or a Restructuring Loan;

**Total Back Stop Facility Commitments** means the aggregate of the Back Stop Facility Commitments, being zero at the date of the Facility Agreement;

**Total Commitments** means the aggregate of the Total Facility A Commitments, the Total Facility B1 Commitments, the Total Facility B2 Commitments, the Total PIK Facility Commitments, the Total Back Stop Facility Commitments (to the extent such are made available pursuant to Clause 2.2 (*Back Stop Facility*) of the Facility Agreement), the Total Incremental Term Facility Commitments (to the extent such are made available pursuant to Clause 2.3 (*Incremental Term Facility*) of the Facility Agreement), the Total Restructuring Facility Commitments<sup>1</sup> and the Total Revolving Facility Commitments, being £529,450,249 at the date of the Facility Agreement;

**Total Facility A Commitments** means the aggregate of the Facility A Commitments, being £425,000,000 at the date of the Facility Agreement;

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<sup>1</sup> Check this wording was included in the final version.

## CONTINUATION SHEET 17

**Total Facility B1 Commitments** means the aggregate of the Facility B1 Commitments, being £3,782,712 at the date of the Facility Agreement;

**Total Facility B2 Commitments** means the aggregate of the Facility B2 Commitments, being £667,537 at the date of the Facility Agreement;

**Total Incremental Term Facility Commitments** means the aggregate of the Incremental Term Facility Commitments, being zero at the date of the Facility Agreement;

**Total PIK Facility Commitments** means the aggregate of the PIK Facility Commitments, being £75,000,000 at the date of the Facility Agreement;

**Total Restructuring Facility Commitments** means the aggregate of the Restructuring Facility Commitments, being £10,000,000 at the date of the Facility Agreement;

**Total Revolving Facility Commitments** means the aggregate of the Revolving Facility Commitments, being £15,000,000 at the date of the Facility Agreement;

**Transaction Documents** means the Finance Documents, the Acquisition Documents, the Shareholders' Agreement and the Constitutional Documents;

**Transaction Security** means the Security created or expressed to be created in favour of the Security Agent pursuant to the Transaction Security Documents;

**Transaction Security Document** means each of the documents listed as being a Transaction Security Document in paragraph 3 (e) of Part I of Schedule 2 (*Conditions precedent and conditions subsequent*) of the Facility Agreement, and any document required to be delivered to the Agent under paragraph 12 of Part II of Schedule 2 (*Conditions precedent and conditions subsequent*) of the Facility Agreement together with any other document entered into by any Obligor creating or expressed to create any Security over all or any part of its assets in respect of the obligations of any of the Obligors under any of the Finance Documents;

**Transferring Companies** means each of the companies listed in paragraph 3 of Part V of Schedule 2 (*Conditions precedent and conditions subsequent*) of the Facility Agreement;

**Treasury Transactions** means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price;

**Utilisation** means a Loan or a Letter of Credit; and

**Utilisation Request** means a notice substantially in the relevant form set out in Part I of Schedule 3 (*Requests*) of the Facility Agreement.



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

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

**COMPANY NO. 6897272**

**CHARGE NO. 1**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES  
HEREBY CERTIFIES THAT A FIXED & FLOATING SECURITY  
DOCUMENT FOR ALL MONIES DUE OR TO BECOME DUE  
FROM, AMONG OTHERS, MCCARTHY & STONE RETIREMENT  
LIFESTYLES LIMITED TO ANY FINANCE PARTY AND ANY  
HEDGE COUNTERPARTY ON ANY ACCOUNT WHATSOEVER  
UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT  
CREATING OR EVIDENCING THE CHARGE SECURED ON THE  
PROPERTY ACQUIRED BY MCCARTHY & STONE RENTAL  
INTERESTS NO. 1 LIMITED ON THE 28 MAY 2009 WAS  
REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE  
COMPANIES ACT 1985 ON THE 16 JUNE 2009

GIVEN AT COMPANIES HOUSE, CARDIFF THE 19 JUNE 2009



*Companies House*  
— for the record —

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THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES