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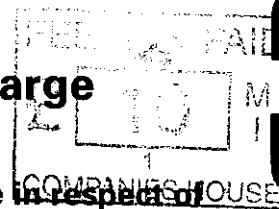
* Insert full name
of company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

Pursuant to section 395 of the Companies Act 1985

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



395

000039/170

To the Registrar of Companies

(Address overleaf - Note 6)

For official use Company number

4

FC017124

Name of company

* Four Seasons Group Limited

Date of creation of the charge

16 September 2004

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

Debenture (the *Rhyme Debenture*) dated 16 September 2004 made between, amongst others, Four Seasons Group Limited and Scarlet Finance Limited (the *Lender*)

Amount secured by the mortgage or charge

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

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

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

Scarlet Finance Limited
6th Floor,
69 Park Lane,
Croydon, Surrey

Postcode CR9 1TQ

Presentor's name, address and
reference (if any):
FRESHFIELDS BRUCKHAUS
DERINGER
65 FLEET STREET, LONDON
ENGLAND EC4Y 1LS
DX 23 LONDON/CHANCERY LANE

SWJ/M2/101607-0861

Time critical reference

For official use
Mortgage section

Post room

LD3
COMPANIES HOUSE0488
04/10/04

Short particulars of all the property mortgaged or charged

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

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

Particulars as to commission allowance or discount (note 3)

Signed *Frederick Bredhurst Deninger*

Date 4th October 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", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
3. In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional, for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
4. If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
5. Cheques and Postal Orders are to be made payable to **Companies House**.
6. The address of the Registrar of Companies is:-

Companies House, Crown Way, Cardiff CF4 3UZ.

CONTINUATION SHEET NUMBER 1

AMOUNT SECURED BY THE MORTGAGE OR CHARGE

All present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever and in any currency) of each Obligor to the Lender under each or any of the Finance Documents or any other document evidencing or securing any such liabilities; all banking, legal and other costs, charges and expenses incurred by the Lender in connection with the protection, preservation or enforcement of its respective rights under the Finance Documents or such other document evidencing or securing any such liabilities; and all losses and damages sustained, suffered or incurred by the Lender arising out of or in connection with any act, matter or thing done or omitted to be done by any Obligor under the Rhyme Debenture or the Rhyme Loan Agreement, *provided that* this shall not include any obligation or liability to the extent that, if it were so included, the Rhyme Debenture (or any part of it) would be unlawful or prohibited by any applicable law.

CONTINUATION SHEET NUMBER 2

PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED UNDER THE RHYME DEBENTURE

1. FIXED SECURITY (CLAUSE 3 OF THE RHYME DEBENTURE)

1.1 Fixed security over freehold and leasehold property

Each Chargor as continuing security for the payment, discharge and performance of all Secured Liabilities at any time owed or due to the Lender, charges in favour of the Lender:

- (a) by way of first legal mortgage all the freehold and leasehold property (if any) other than any Excluded Leases now belonging to it and specified in Part A, Part B, Part C and/or Part D of Schedule 2 of the Rhyme Debenture and/or in the Schedule to the Deed of Accession by which it became party to the Rhyme Debenture (where relevant);
- (b) by way of first legal mortgage any other freehold or leasehold property (other than any Excluded Leases and Head Office Premises) wheresoever situate now belonging to it; and
- (c) to the extent the same are not the subject of an effective legal mortgage under Clauses 1.1(a) and/or 1.1(b) above (but not where that is the case pending registration at the Land Registry only) by way of first fixed charge all present and future freehold or leasehold property (but not any Excluded Lease) and any rights under any licence or other agreement or document which gives any Chargor a right to occupy or use property, wheresoever situate now or hereafter belonging to it,

Provided always that in relation to such of the leasehold Mortgaged Property as is identified in column 1 of Part E of Schedule 2, the mortgage or charge pursuant to sub-clause (a), (b) or (c) above (as the case may be) shall take effect subject to the debenture affecting that Mortgaged Property identified in column 3 of Part E of Schedule 2 of the Rhyme Debenture.

1.2 Fixed security over specified assets (Clause 3.2 of the Rhyme Debenture)

Each Chargor as continuing security for the payment, discharge and performance of all Secured Liabilities at any time owed or due to the Lender, charges in favour of the Lender by way of first fixed charge:

- (a) (to the extent that they are not Fixtures) all plant, machinery, computers, vehicles, office or other equipment now or in the future owned by it and its interest in any plant, machinery, computers, vehicles, office or other equipment in its possession (but excluding any for the time being part of such Chargor's stock-in-trade or work-in-progress) and the benefit of all contracts, licences and warranties relating to them;

- (b) all moneys (including interest) from time to time standing to the credit of the Security Accounts with any bank, financial institution or other person and the debts represented by them;
- (c) to the extent the same are not effectively assigned under Clause 2 (*Assignments*):
 - (i) all rights and benefits in respect of the Insurances and all claims and returns of premiums in respect of such Insurances; and
 - (ii) all rights and benefits under each of the Assigned Agreements;
- (d) all of its rights and benefits under all bills of exchange, promissory notes and other negotiable instruments held by it;
- (e) any beneficial interest, claim or entitlement of it to any assets of any pension fund;
- (f) its present and future goodwill;
- (g) its present and future uncalled capital;
- (h) the benefit of any present and future licences, permissions, consents and authorisations (statutory or otherwise) held by it in connection with its business or the use of any of the Security Assets and the right to recover and receive all compensation which may at any time become payable to it in respect of such present and future licences, permissions, consents and authorisations; and
- (i) all Investments and Investment Rights held by it.

1.3 Fixed security over Book debts

- (a) **Fixed Charge over Book Debts:** Each Chargor as continuing security for the payment, discharge and performance of all Secured Liabilities at any time owed or due to the Lender, charges in favour of the Lender by way of first fixed charge the Book Debts (if any) belonging to it.
- (b) **Collection of Book Debts:** Each Chargor will get in and realise the Book Debts belonging to such Chargor in the ordinary course of its business as agent for and on behalf of the Lender by instructing the debtors owing such Book Debts to pay all amounts due in respect of such Book Debts into either:
 - (i) the Book Debt Account in the name of such Chargor; or
 - (ii) such other account as the Lender may from time to time nominate by notifying such Chargor in writing.
- (c) **Book Debt Account:** Each Chargor may not withdraw or be permitted to withdraw all or any moneys (including interest) standing to the credit of the

Book Debt Account in its name without the prior written consent of the Lender.

- (d) **Restrictions on dealing with Book Debts:** Each Chargor may not assign or otherwise transfer, factor, discount, sell, release, compound, subordinate, defer, declare a trust over or vary the terms of and not create or permit to exist any Security Interest (other than a Security Interest created pursuant to the Security Documents or expressly permitted by the terms of the Rhyme Loan Agreement) over any Book Debts belonging to it or over the Book Debt Account in its name or any interest in it.

1.4 Fixed security over Group Shares

Each Chargor as continuing security for the payment, discharge and performance of all the Secured Liabilities at any time owed or due to the Lender charges in favour of the Lender:

- (a) by way of first legal mortgage all Group Shares held now or in the future by it and/or any nominee on its behalf;
- (b) (to the extent the same are not the subject of an effective legal mortgage under Clause 1.4(a) above) by way of first fixed charge all Group Shares held now or in the future by it and/or any nominee on its behalf; and
- (c) by way of first fixed charge all Group Share Rights accruing to all or any of the Group Shares held now or in the future by it and/or any nominee on its behalf.

1.5 Fixed security over Intellectual Property

Each Chargor as continuing security for the payment, discharge and performance of all Secured Liabilities at any time owed or due to the Lender:

- (a) charges in favour of the Lender by way of first fixed charge all its present and future Intellectual Property owned by it; and
- (b) (to the extent that any Intellectual Property are not capable of being charged, whether by reason of lack of any third party consent which is required, or otherwise) assigns and agrees to assign in favour of the Lender all its right, title and interest (if any) in and to any and all damages, compensation, remuneration, profit, rent, fees, royalties or income which any Chargor may derive from such Intellectual Property or be awarded or entitled to in respect of such Intellectual Property.

1.6 Sub-charges

- (a) Each Chargor, in exercise of the power conferred by section 23(2)(b) of the LRA, as continuing security for the payment, discharge and performance of all Secured Liabilities comprising an obligation or liability to pay money and at any time owed or due to the Lender, hereby charges at law in favour of the

Lender all indebtedness secured by each registered charge of which it is registered as proprietor at the Land Registry including without limitation those registered against the title numbers set out in Schedule 2, Part G.

- (b) In so far as the charge by a Chargor contained in sub-clause (a) above does not create in favour of the Lender a charge on any registered charge (as opposed to the indebtedness secured by it) referred to in that sub-clause, each Chargor as continuing security for the payment, discharge and performance of all Secured Liabilities at any time owed or due to the Lender, charges each such registered charge by way of first fixed charge in favour of the Lender.
- (c) Each Chargor as continuing security for the payment, discharge and performance of all Secured Liabilities which do not comprise an obligation or liability to pay money and at any time owed or due to the Lender, charges the indebtedness secured by each registered charge referred to in sub-clause (a) above by way of first fixed charge in favour of the Lender.

2. ASSIGNMENTS (CLAUSE 4 OF THE RHYME DEBENTURE)

2.1 Assignments (Clause 4.1 of the Rhyme Debenture)

Each Chargor as continuing security for the payment, discharge and performance of the Secured Liabilities at any time owed or due to the Lender, assigns and agrees to assign to the Lender absolutely all its right, title, interest and benefit (if any) in and to:

- (a) the Insurances;
- (b) the Acquisition Documents;
- (c) the Company Intra-Group Loan Agreements; and
- (d) the Material Contracts.

Without prejudice to Clause 11.5 of the Rhyme Debenture (*Further security*), in relation to any Assigned Agreements, the assignment of that property under this Clause 2 (*Assignments*) shall be effective only to the extent that the terms of the Assigned Agreements do not prohibit an assignment of that property except in cases where consent has been obtained.

2.2 Notices of assignment

- (a) Each Chargor shall forthwith give notice of each such assignment of its right, title and interest (unless waived by the Lender):
 - (i) in and to the Insurances, by sending a notice in the form of Schedule 4, Part A of the Rhyme Debenture (with such amendments as the Lender may agree) duly completed to each of the other parties to the Insurances;
 - (ii) in and to the other Assigned Agreements by sending a notice substantially in the form of Schedule 4, Part C of the Rhyme

Debenture (with such amendments as the Lender may agree) to each of the other parties to such Assigned Agreements,

and the Parent and each Chargor incorporated in England and Wales shall use its reasonable endeavours to procure that within 14 days of the date of the Rhyme Debenture, or if later, the date of entry into any such agreement, each such other party delivers a letter of undertaking to the Lender in the form of Schedule 4, Part B of the Rhyme Debenture (in the case of the Insurances) or in the form of Schedule 4, Part D of the Rhyme Debenture (in the case of each of the other Assigned Agreements), in each case with such amendments as the Lender may agree.

- (b) Any such notice required in accordance with Clause 2.2(a) above to be given to any person which is also a Chargor, and any such undertaking required in accordance with Clause 2.2(a) above to be given to the Lender by any person which is also a Chargor, need not actually be given, but the Rhyme Debenture and the Schedules and the execution of the Rhyme Debenture by such Chargor shall be deemed to constitute such notice or such undertaking (as the case may be) with respect to the relevant Assigned Agreement.

2.3 Assignment of proceeds, damages etc.

To the extent that any such right, title and interest described in Clause 2.1 (*Assignments*) and Clause 2.2 (*Notices of assignment*) above is not assignable or capable of assignment, such assignment purported to be effected by Clause 2.1 (*Assignments*) above shall operate as:

- (a) in the case of the Insurances, an assignment of any and all proceeds of present or future Insurances received by each Chargor; and
- (b) in the case of the other Assigned Agreements, an assignment of any and all damages, compensation, remuneration, profit, rent or income which any Chargor may derive from such Assigned Agreements or be awarded or entitled to in respect of such Assigned Agreements,

in each case as continuing security for the payment, discharge and performance of the Secured Liabilities at any time owed or due to the Lender.

3. FLOATING CHARGES (CLAUSE 5 OF THE RHYME DEBENTURE)

3.1 Creation of floating charges

Each Chargor as continuing security for the payment, discharge and performance of the Secured Liabilities, charges in favour of the Lender by way of a first floating charge:

- (a) all its undertaking and assets of whatever type and wherever located both present and future, subject always to all mortgages, fixed charges and assignments created by or pursuant to Clause 1 (*Fixed Security*) above and all security assignments created by or pursuant to Clause 2 (*Assignments*) above

or any other provision of the Rhyme Debenture subject to, in the case of the Mortgaged Property identified in column 1 of Part E of Schedule 2 of the Rhyme Debenture, the debentures identified in column 3 of Part E of Schedule 2 of the Rhyme Debenture;

- (b) whether or not so mortgaged, charged or assigned all its undertaking and assets of whatever type both present and future located in or otherwise governed by the laws of Scotland;
- (c) whether or not mortgaged charged or assigned all its undertaking and assets of whatever type both present and future situated in or otherwise governed by the laws of Northern Ireland; and
- (d) whether or not so mortgaged, charged or assigned all its undertaking and assets of whatever type both present and future located in or otherwise governed by the laws of the Isle of Man.

The Rhyme Debenture contains a negative pledge.

The Rhyme Debenture contains covenants for further assurance.

CONTINUATION SHEET NUMBER 3

DEFINITIONS

Acceptable Bank means:

- (a) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of A- or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or A3 or higher by Moody's Investor Services Limited or a comparable rating from an internationally recognised credit rating agency; or
- (b) any lender (as such term is defined in the Scarlet Loan Agreement) or other bank or financial institution approved by the Lender.

Accession Letter means a document substantially in the form set out in Schedule 4 (*Form of Accession Letter*) of the Rhyme Loan Agreement.

Accounting Principles means generally accepted accounting principles in the United Kingdom.

Acquisition Agreement means the share sale agreement dated on or about the date hereof relating to the sale and purchase of the Target Shares and made between Hamilton Anstead and Others, Alchemy Parties (Guernsey) Limited, the Borrowers and the Parent.

Acquisition Documents means the Acquisition Agreement, the Disclosure Letter and any other document designated as an Acquisition Document by the Lender and the Parent.

Assigned Agreements means each agreement or instrument assigned or purported to be assigned pursuant to Clause 4.1 of the Rhyme Debenture (*Assignments*).

Book Debts Account means each account maintained from time to time by or in the name of any Chargor or any of them for the purposes of Clause 3.3 of the Rhyme Debenture (*Fixed security over Book Debts*) with a bank as the Lender may from time to time approve and includes any replacement, substitute or additional account of such Book Debt Account from time to time whether by way of transfer of monies, redesignation, renumbering, or otherwise and any sub-account(s) of such account.

Book Debts means all moneys and liabilities (including the benefit of any judgment or order to pay a sum of money) due and owing to any Chargor or which may become due and owing to any Chargor at any time in the future and the benefit of all rights, securities and guarantees of any nature whatsoever now or at any time enjoyed or held by any Chargor in relation to any of the foregoing.

Chargor means each of:

- (a) Four Seasons Health Care Limited;
- (b) Four Seasons Health Care Investments Limited;

- (c) Four Seasons Health Care (Capital) Limited;
- (d) Country Healthcare Group Limited;
- (e) Four Seasons Health Care Group Limited;
- (f) FSHC Holdings (UK) Limited;
- (g) FSHC (UK) Limited;
- (h) Keelax 115 Limited;
- (i) PH Homes Limited;
- (j) Principal Healthcare plc;
- (k) Four Seasons Health Care Holdings Limited;
- (l) Four Seasons Group Limited;
- (m) Four Seasons Health Care Properties Limited;
- (n) Fife Healthcare Limited;
- (o) Principal Healthcare Finance Limited,

(together with each company which becomes a party to the Rhyme Debenture by executing a Deed of Accession and together, the *Chargors*).

Company Intra-Group Loan Agreement means:

- (a) the loan agreement in the agreed form to be entered into between the Rhyme Borrowers and certain other members of the Group pursuant to which the Rhyme Borrowers have or will make available a facility to certain other members of the Group to enable such other members of the Group to repay Financial Indebtedness existing; and
- (b) the loan agreement in the agreed form to be entered into between the Rhyme Borrowers and certain other members of the Group pursuant to which certain members of the Group may from time to time make available a facility to the Rhyme Borrowers to enable the Rhyme Borrowers to make payments under the Finance Documents.

Compliance Certificate means a certificate substantially in the form set out in Schedule 6 (*Form of Compliance Certificate*) of the Rhyme Loan Agreement.

Deed of Accession means a deed substantially in the form of Schedule 6 of the Rhyme Debenture executed, or to be executed, by a Chargor.

Disclosure Letter means the Disclosure Letter provided in relation to the Acquisition Agreement.

Engagement Letter means the engagement letter dated on or about the date of the Rhyme Loan Agreement between, amongst others, Goldman Sachs International, Goldman Sachs Credit Partners, L.P. and the Parent.

Excluded Lease means any Lease to be charged pursuant to the Rhyme Debenture in respect of which any Third Party Consent in relation to the intended charge has not for the time being been obtained or which has not been charged pursuant to Clause 3.1 of the Rhyme Debenture following the obtaining of the Third Party Consents.

Fee Letter means any letter or letters between Goldman Sachs International, Goldman Sachs Credit Partners, L.P. and the Rhyme Borrowers setting out any of the fees referred to in Clause 15 (*Fees*) or Clause 13 (*Fees*) of the Scarlet Loan Agreement.

Finance Document means the Rhyme Loan Agreement, the Refinancing Agreement, the Guarantee Agreement, the Engagement Letter, any Accession Letter, any Company Intra-Group Loan Agreement, any Compliance Certificate, any Fee Letter, any Resignation Letter, any Selection Notice, any Transaction Security Document, any Utilisation Request and any other document designated as a Finance Document by the Lender and the Parent.

Financial Indebtedness means (without duplication) any indebtedness for or in respect of:

- (a) monies borrowed and debit balances with financial institutions;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the capitalised portion of any liability in respect of any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a finance or capital lease and only to the extent thereof;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold or discounted without recourse);
- (f) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the marked to market value shall be taken into account);
- (g) (other than in respect of trade credit) 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;
- (h) any amount raised by the issue of redeemable shares which are redeemable at the option of the holders;
- (i) any amount of any liability under an advance or deferred purchase agreement if (a) one of the primary reasons behind entering into the agreement is to raise

finance or (b) the agreement is in respect of the supply of assets or services and payment is due more than 30 days after the date of supply;

- (j) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing and under Accounting Principles would constitute part of Financial Indebtedness; and

the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above.

Fixtures means, in relation to any freehold or leasehold property mortgaged or charged by or pursuant to this Rhyme Debenture, all fixtures and fittings (including trade fixtures and fittings) and fixed plant, machinery and equipment owned by any Chargor from time to time on or forming part of such property.

Group means the Parent and each of its Subsidiaries for the time being.

Group Share Rights means, in relation to the Group Shares, all dividends and other distributions paid or payable after the date of this Rhyme Debenture on all or any of the Group Shares and all stocks, shares, securities (and the dividends or interest thereon), rights, money, allotments, benefits or property accruing or offered at any time by way of redemption, bonus, preference, option rights or otherwise to or in respect of any of the Group Shares or in substitution, conversion or exchange for any of the Group Shares.

Group Shares means all shares specified in Schedule 3 of the Rhyme Debenture (as set out in Continuation Sheet Number 4) or in the Schedule to any Deed of Accession or, when used in relation to a particular Chargor, such of those shares as are specified against its name in Schedule 3 of the Rhyme Debenture or as are specified in the Schedule to a Deed of Accession to which it is party.

Guarantee Agreement means the guarantee agreement dated on or about the date of the Rhyme Loan Agreement between the Parent, Goldman Sachs International, Goldman Sachs Credit Partners, L.P. and the Lender.

Guernsey Insurance Assignment means an assignment governed by the laws of Guernsey to be given by the relevant Obligor in favour of the Lender over insurances held in the name of an Obligor incorporated under the laws of Guernsey.

Guernsey Share Charge means:

- (a) the security interest agreement governed by the laws of Guernsey, dated 18 August 2004, granted by Rhyme (Jersey) Limited over the shares in Principal Healthcare Finance Holdings (Guernsey) Limited; and
- (b) a security interest agreement governed by the laws of Guernsey to be given by the relevant Obligor in favour of the Lender in agreed form in respect of shares in any subsidiary incorporated in Guernsey.

Head Office Premises means the leasehold premises briefly described in Part F of Schedule 2 of the Rhyme Debenture.

Insurances means all contracts and policies of insurance (including, for the avoidance of doubt, all cover notes) of whatever nature which are from time to time taken out by or on behalf of any Chargor or (to the extent of such interest) in which any Chargor has an interest.

Intellectual Property means:

- (a) any patents, trade marks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests, whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets of each member of the Group.

Investments means all physical stocks and shares (other than Group Shares), options, debentures, bonds, warrants, coupons, certificates or other securities and investments or, where relevant, the right, title, interest and benefit in and to such assets now or in the future owned or held by any Chargor or (when used in relation to a particular Chargor) that Chargor from time to time.

Investments Rights means, in relation to the Investments, all dividends, coupons and other distributions paid or payable after the date of the Rhyme Debenture on all or any of the Investments and all stocks, shares, securities (and the dividends or interest thereon), rights, money, allotments, benefits, advantages or property accruing or offered at any time by way of redemption, bonus, preference, option rights or otherwise to or in respect of any of the Investments or in substitution, conversion or exchange for any of the Investments.

Jersey Bank Account Charge means a security agreement over bank accounts governed by the laws of Jersey to be given by the relevant Obligor in favour of the Lender over bank accounts situate in Jersey.

Jersey Insurance Assignment means an assignment governed by the laws of Jersey to be given by the relevant Obligor in favour of the Lender over insurances held in the name of an Obligor incorporated under the laws of Jersey.

Jersey Land Charge means an agreement governed by the laws of Jersey to be given by the relevant Obligor in favour of the Lender in the agreed form in respect of any real property situate in Jersey in which it has an interest.

Jersey Share Charge means:

- (a) the security agreement governed by the laws of Jersey, dated 18 August 2004, granted by the Parent in respect of the shares it owns in Rhyme (Jersey) Limited; and

- (b) a security agreement governed by the laws of Jersey to be given by the relevant Obligor in favour of the Lender in agreed form in respect of shares in any subsidiary incorporated in Jersey.

Land Registry means Her Majesty's Land Registry.

Lease means any lease, letting, underlease or sublease (however remote), tenancy or right to possession, occupation or use and any agreement for any of them.

LRA means the Land Registration Act 2002.

Mandatory Prepayment Account means an interest-bearing account:

- (a) held in an account to be notified by the Rhyme Borrower to the Lender;
- (b) identified in a letter between the Parent and the Lender as a Mandatory Prepayment Account;
- (c) subject to Security in favour of the Lender which Security is in form and substance satisfactory to the Lender; and
- (d) from which no withdrawals may be made by any members of the Group except as contemplated by the Rhyme Loan Agreement,

(as the same may be redesignated, substituted or replaced from time to time).

Manx Legal Charge means a legal charge governed by the laws of the Isle of Man to be given by the relevant Obligor in favour of the Lender over any freehold or leasehold property situate in the Isle of Man.

Material Contracts means any contract which has a value in excess of £1,000,000 per annum or is otherwise material to the business of the relevant Chargor.

Mortgaged Property means each freehold and leasehold property and security interest and/or charge mortgaged and/or charged and/or sub-charged by or pursuant to this Rhyme Debenture (including, without limitation, those individually identified in Part A, Part B, Part C, Part D and/or Part G of Schedule 2 of the Rhyme Debenture or in any Schedule to any Deed of Accession) and each and every part of such freehold and leasehold properties and the benefit of and each and every right and remedy under any such security interest and/or charge.

NI Charge over Shares means the agreed form of charge over shares to be entered into by a relevant Obligor in favour of the Lender in respect of shares in any subsidiary incorporated in Northern Ireland or if not in agreed form in such form as the Lender may reasonably require.

NI Floating Charge means the agreed form of floating charge governed by the laws of Northern Ireland to be entered into by the relevant Obligor in favour of the Lender over the whole of the assets of the relevant Obligor or if not in agreed form in such form as the Lender may reasonably require.

NI Mortgage and Charge means the agreed form of mortgage and charge to be entered into by the relevant Obligor in respect of any property in Northern Ireland or if not in agreed form in such form as the Lender may reasonably require.

Obligor means each of the Chargors and together, the ***Obligors***.

Parent means Allianz Healthcare Beteiligungs GmbH, a company incorporated in Germany.

Parent Share Pledges means the share pledges, in agreed form, to be entered into between the Parent and the Lender in respect of the shares the Parent holds in the Rhyme Borrowers.

Realisations Account means each account maintained from time to time by or in the name of the Chargors or any of them for the purposes of Clause 13.6 (*Contingencies*) of the Rhyme Debenture with an Acceptable Bank on behalf of the Lender as the Lender may from time to time approve and includes any replacement, substitute or additional account of such account from time to time whether by way of transfer of monies, redesignation, renumbering, or otherwise and any sub-account(s) of such account.

Refinancing Agreement means the co-operation agreement dated on or about the date of the Rhyme Loan Agreement between the Parent, the Rhyme Borrowers and Goldman Sachs International.

Resignation Letter means a letter substantially in the form set out in Schedule 5 (*Form of Resignation Letter*) of the Rhyme Loan Agreement.

Rhyme Borrower means each of Rhyme (Jersey) Limited and Rhyme (UK) Limited and together, the ***Rhyme Borrowers***.

Rhyme First Stage Debenture means the debenture, in agreed form, entered into between the Rhyme Borrowers, the first stage guarantors and the Lender.

Rhyme Loan Agreement means the agreement dated 3 July 2004 (and as amended and restated on 17 August 2004) between, amongst others, the Parent and the Lender together with each accession letter and transfer certificate relating to it.

Rhyme Third Stage Debenture means the debenture in the agreed form, to be entered into by the third stage guarantors set out in the Rhyme Loan Agreement and the Lender.

Scarlet Loan Agreement means the loan agreement dated 3 July 2004 between, amongst others, the Lender, Goldman Sachs International as arranger and Goldman Sachs Credit Partners, L.P. as agent.

Scottish Floating Charge means a Scots law floating charge by the relevant Obligor in favour of the Lender in agreed form over the whole of the assets of the relevant Obligor.

Scottish Share Pledge means a share pledge by the relevant Obligor in favour of the Lender in agreed form in respect of shares in any subsidiary incorporated in Scotland.

Secured Liabilities means:

- (a) all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever and in any currency) of each Obligor to the Lender under each or any of the Finance Documents or any other document evidencing or securing any such liabilities;
- (b) all banking, legal and other costs, charges and expenses incurred by the Lender in connection with the protection, preservation or enforcement of its respective rights under the Finance Documents or such other document evidencing or securing any such liabilities; and
- (c) all losses and damages sustained, suffered or incurred by the Lender arising out of or in connection with any act, matter or thing done or omitted to be done by any Obligor under the Rhyme Debenture or the Rhyme Loan Agreement,

provided that this shall not include any obligation or liability to the extent that, if it were so included, the Rhyme Debenture (or any part of it) would be unlawful or prohibited by any applicable law.

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.

Security Accounts means the Book Debts Account, the Mandatory Prepayment Account, the Realisations Account(s) and each other bank account the relevant Chargor may have with any bank from time to time other than the bank accounts excluded from the Transaction Security by Clause 25.31 (*Group bank accounts*) of the Rhyme Loan Agreement.

Security Assets means all assets, rights, interests, undertaking and property of the Chargors or any of them the subject of any security created or expressed to be created or intended to be created by or pursuant to the Rhyme Debenture or any supplemental security entered into pursuant to the Rhyme Debenture.

Security Documents means this Rhyme Debenture, the Rhyme First Stage Debenture, each Deed of Accession, each Standard Security, each Scottish Floating Charge, each Scottish Share Pledge, each Manx Legal Charge, each NI Charge over Shares, each NI Floating Charge, each NI Mortgage and Charge, each Jersey Share Charge, each Jersey Bank Account Charge, each Jersey Insurance Assignment, each Jersey Land Charge, each Guernsey Share Charge, each Guernsey Insurance Assignment, each supplemental debenture entered into pursuant to Clause 9.4 of the Rhyme Debenture and every other document effecting a Security Interest entered into by the Chargors or any Subsidiary of any Chargor pursuant to this Rhyme Debenture and/or Clause 25.34 (*Further assurance*) of the Rhyme Loan Agreement.

Security Interest means any mortgage, charge, pledge, lien, assignation or other security interest securing any obligation or any other agreement or arrangement having a similar effect.

Selection Notice means a notice substantially in the form set out in Part III of Schedule 3 (*Requests*) given in accordance with Clause 13 (*Interest Periods*) of the Rhyme Loan Agreement.

Standard Security means a standard security by the relevant Obligor in favour of the Lender in agreed form over property situated in Scotland.

Subsidiaries means the Rhyme Borrowers and the Parent.

Target Shares means all of the ordinary shares of the Targets and all warrants and options in respect of the share capital of the Targets.

Targets means:

- (a) Four Seasons Health Care Limited, a company incorporated under the law of England and Wales; and
- (b) Principal Healthcare Finance Holdings (Guernsey) Limited, a company incorporated under the laws of Guernsey.

Third Party Consent means any consent required from a third party (including but not limited to a landlord, superior landlord or their respective mortgagees) to the charging of any Lease by any Chargor pursuant to this Rhyme Debenture.

Transaction Security Document means each of the Parent Share Pledges, the Rhyme First Stage Debenture, the Rhyme Debenture, the Rhyme Third Stage Debenture 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.

Transaction Security means the Security created or expressed to be created or intended to be created in favour of the Lender pursuant to the Transaction Security Documents.

Treasury Transaction means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or interest or currency exchange rate.

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

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. FC017124

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 16th SEPTEMBER 2004 AND CREATED BY FOUR SEASONS GROUP LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM EACH OBLIGOR TO SCARLET FINANCE LIMITED 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 4th OCTOBER 2004.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 6th OCTOBER 2004.

GRH
DX.



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES