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COMPANIES FORM No. 395

Particulars of a mortgage or charge

156374/286

395

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

CHFP025

Pursuant to section 395 of the Companies Act 1985

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

For official use Company number

[4.1.1.1]

03963711

Name of company

* Bondcare (Middleton) Limited (the "Company")

Date of creation of the charge

18 July 2005

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

Debenture dated 18 July 2005 between, inter alios, the Company (1) and The Governor and Company of the Bank Of Scotland ("BoS") (2) (the "Debenture")

Amount secured by the mortgage or charge

All Indebtedness covenanted to be paid or discharged by the Chargors to the Security Trustee for the Secured Finance Parties under Clause 2.1 (Covenant to Pay) of the Debenture; ("Secured Liabilities")

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

The Governor and Company Of The Bank Of Scotland, The Mound, Edinburgh as security agent and trustee for the Secured Finance Parties and includes any successor appointed (See page 3 of Continuation Sheet 1)

Postcode EH1 1YZ

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

Nabarro Nathanson
Lacon House
Theobald's Road
London
WC1X 8RW

AA/NHB/B0125/01311/3097659v1

Time critical reference

For official Use (02/00)

Mortgage Section

Post room

LD2
COMPANIES HOUSE0450
27/07/05

Short particulars of all the property mortgaged or charged

The capitalised terms used in this section and not defined hereinbefore are defined from Continuation Sheet No. 3 to this Form 395.

1. Creation Of fixed Security

1.1 The Company, with full title guarantee, as continuing security for the payment or discharge of all Secured Liabilities, charged to BOS:

a) by way of legal mortgage, all Land in England and Wales now vested in it and registered at the Land Registry as described in The Schedule (The Property) to this Form 395 (the "Property");

b) by way of legal mortgage, all Land in England and Wales now vested in it and not registered at the Land Registry;

c) by way of fixed charge:

i) all other Land which is now, or in the future becomes, its property;

ii) all interests and rights in or relating to Land or the proceeds of sale of Land now or in the future belonging to it; (See Continuation Sheet 1)

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

Particulars as to commission allowance or discount (note 3)

NIL

Signed

Nabaro Nathan

Date

27/7/05

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

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

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 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is: Companies House, Crown Way, Cardiff CF14 3UZ

† delete as appropriate

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Particulars of a mortgage or charge (continued)

Please do not
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Continuation sheet No 1
to Form No 395 and 410 (Scot)

*Please complete
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in black type, or
bold block lettering*

Company Number

03963711

Name of Company

Bondcare (Middleton) Limited (the "Company")

~~XXXXXX~~

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

*Please complete
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by the Secured Finance Parties pursuant to the Finance Documents (the
"Security Trustee")

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- iii) all plant and machinery now or in the future attached to any Land which, or an interest in which, is charged by it under the preceding provisions of this Clause 1;
- iv) all rental and other income and all debts and claims now or in the future due or owing to it under or in connection with any lease, agreement or license relating to Land;
- v) all Specified Investment Securities which are now, or in the future become, its property;
- vi) all Derivative Rights now or in the future accruing in respect of its Specified Investment Securities;
- vii) where Specified Investment Securities are held in a Relevant System, all its rights against the operator of the Relevant System or any participant in respect of such Specified Investment Securities;
- viii) all insurance or assurance contracts or policies now or in the future held by or otherwise benefiting it which relate to Fixed Charge Assets or which are now or in the future deposited by it with BoS, together with all its rights and interests in such contracts and policies (including the benefit of all claims arising and all money payable under them including any refund of premiums);
- ix) all its goodwill and uncalled capital for the time being;
- x) all other Intellectual Property presently belonging to it, including any Intellectual Property to which it is not absolutely entitled or to which it is entitled together with others;
- xi) all Intellectual Property that may be acquired by or belong to it in the future, including any such Intellectual Property to which it is not absolutely entitled or to which it is entitled together with others;
- xii) the benefit of all agreements and licences now or in the future entered into or enjoyed by it relating to the use or exploitation of any Intellectual Property in any part of the world;
- xiii) all its rights now or in the future in relation to trade secrets, confidential information and know how in any part of the world;
- xiv) all its rights and causes of action in respect of infringement(s) (past, present or future) of the rights referred to in Clauses 1.1(c)(x) to (xiv) inclusive;
- xv) all trade debts now or in the future owing to it and all proceeds thereof and the benefit of all rights relating thereto;
- xvi) all other debts now or in the future owing to it, excluding those arising on fluctuating accounts with other members of the Group;
- xvii) the benefit of all instruments, guarantees, charges, pledges and other security and all other rights and remedies available to it in respect of any Fixed Charge Asset;
- xviii) all its interests and rights (if any) now or in the future in or to any pension fund;
- xix) all rights, money or property accruing or payable to it now or in the future under or by virtue of a Fixed Charge Asset except to the extent that such rights, money or property are for the time being effectively charged by fixed charge under the foregoing provisions of this Clause 1;

See continuation sheet 2

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Particulars of a mortgage or charge (continued)

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Continuation sheet No 2
to Form No 395 and 410 (Scot)

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Company Number

03963711

Name of Company

Bondcare (Middleton) Limited (the "Company")

~~XXXXXX~~

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inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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xx) the benefit of all licences, consents and authorisations held in connection with its business or the use of any Asset and the right to recover and receive all compensation which may be payable in respect of them; and

xxi) the Care Agreements.

1.2 Creation of floating charge

The Company, with full title guarantee, charged to BOS as security for the payment of all Secured Liabilities, by way of floating charge all its Assets except to the extent that such Assets are for the time being effectively charged by any fixed charge contained in Clause 1 including any Assets comprised within a charge which is reconverted under Clause 4.4 of the Debenture provided that such Company shall not create any Security over any such Asset (whether having priority over, or ranking pari passu with or subject to, this floating charge) or take any other step referred to in Clause 7 of the Debenture with respect to any such Asset, and such Company shall not, without the consent of the Security Trustee, sell, transfer, part with or dispose of any such Asset except by way of sale in the ordinary course of its business or as otherwise expressly permitted by any of the other Finance Documents.

2. Assignment

The Company with full title guarantee and by way of fixed charge assigned absolutely in favour of the Security Trustee (subject to the right of the Company to redeem such assignment upon payment or discharge in full of the Secured Liability):

- (a) all the right, title and interest of the Company in and to the Acquisition Agreement;
- (b) all the right, title and interest of the Company in and to any interest rate hedging agreements entered into by any person;
- (c) (in so far as they are capable of being assigned by way of security) all the right, title and interest of the Company in and to any agreement to which the Company is a party except to the extent that it is subject to any fixed charge created under any other provision of the Debenture;
- (d) each of the Company's present and future rights, title, benefit and relation to the Land vested in it and (to the fullest extent assignable or capable of assignment) all its right, title, benefit and interest in and to all rents and other income receivable by the Company in relation to the Land vested in it and all rights, title and benefit arising out of or in all present and future contracts (including insurance policies), deeds, undertakings, agreements, rights, warranties, securities, covenants, guarantees, bonds and indemnities of any nature now or at any time enjoyed by each Company and relating to the Land vested in it and in all monies from time to time payable thereunder;
- (e) any authorisation, consent, approval, resolution, licence, exceptions, filing, notarisation or registration maintained by the Company; and
- (f) its interest in the Deposit Account.

3. Negative Pledge

The Company shall not, without the prior written consent of BOS (and with the exception of the Permitted Security or as otherwise expressly permitted by any Finance Document):

3.1 create, or agree or attempt to create, or permit to subsist, any Security or any trust over any of its Assets;

See Continuation Sheet 3

CHFP025

Particulars of a mortgage or charge (continued)

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Continuation sheet No 3
to Form No 395 and 410 (Scot)

*Please complete
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Company Number

03963711

Name of Company

Bondcare (Middleton) Limited (the "Company")

~~XXXXXX~~

* delete if
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Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

*Please complete
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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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3.2 or, sell, assign, lease, license or sub-license, or grant any interest in, any of its Fixed Charge Assets, or part with possession or ownership of them, or purport or agree to do so.

4. Further Assurance

The Debenture contains covenants for further assurance.

Definitions

"Account Bank" means The Governor and Company of The Bank Of Scotland;

"Agent" means The Governor and Company of The Bank Of Scotland;

"Acquisition Agreement" means the sale and purchase agreement between Nilerace Limited (1), Michael Matthew Joseph McArdle (2) and Josephine Helen McArdle (3) dated 30 November 2004;

"Arranger" means The Governor and Company of The Bank Of Scotland;

"Assets" means in relation to the Company, all its undertaking, property, assets, revenues and rights of every description, or any part of them;

"Borrower" means Nilerace Limited;

"Chargor" means each company named in Schedule 1 to the Debenture and (with effect from its accession) each other company which executes a Deed of Accession and Charge and any company which subsequently adopts the obligations of a Chargor;

"Deed of Accession and Charge" means a deed of accession and charge substantially in the form of Schedule 3 to the Debenture;

"Deposit Account" means the deposit account in the name of Nilerace Limited designated the "Deposit Account" at the Account Bank;

"Care Agreements" means the care agreements between the relevant Group Company and local authorities, health authorities and/or National Care Standards Commission for the provisions of residential and nursing care services to residents;

"Derivative Rights" means all dividends, interest or distributions and all other rights and benefits of an income nature accruing at any time in respect of any Investment Securities;

"Facility Agreement" means the facility agreement dated 18 July 2005 between Nilerace Limited, the companies listed in Part 1 of Schedule 1 (as Original Guarantors) to the Debenture, The Governor and Company of the Bank of Scotland (as Agent, Arranger, Original Lender and BOS) and the financial institution listed in Part 3 of Schedule 1 to the Debenture (as Hedging Counterparty) (as amended from time to time);

"Finance Documents" means the Facility Agreement, the Debenture and each Hedging Document and any other documents designated as such by the Agent and the Borrower;

"Fixed Charge Asset" means an Asset for the time being comprised within a mortgage or fixed charge created by Clause 1;

"Group Companies" means all those companies listed in the Group Structure diagram at Schedule 10 of the Facility Agreement;

Please see continuation sheet 4

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**Particulars of a mortgage or charge
(continued)**

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Continuation sheet No 4
to Form No 395 and 410 (Scot)

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Company Number

03963711

Name of Company

Bondcare (Middleton) Limited (the "Company")

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Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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"Hedging Arrangements" means any interest hedging arrangements entered into by the Borrower and the Hedging Counterparty pursuant to Clause 8.5 of the Facility Agreement;

"Hedging Counterparty" means HBOS Treasury Services plc; or any Lender that becomes counterparty to any Hedging Arrangement;

"Hedging Document" means any document between the Borrower and the Hedging Counterparty relating to the Hedging Arrangements;

"Indebtedness" means any obligation and liability whatsoever for the payment or repayment of money in any currency, whether present or future, actual or contingent, joint or several, whether incurred as principal or surety or in any other way whatever, and including principal, interest, commission, fees and other charges on a full indemnity basis;

"Intellectual Property" means in relation to the Company, all its patents (including supplementary protection certificates), utility models, registered and unregistered trade marks (including service marks), rights in passing off, rights in domain names, copyright and neighbouring rights, database rights, registered and unregistered rights in designs (including in relation to semiconductor products) and all other intellectual property rights and, in each case, rights of a similar or corresponding character and any extensions and renewals of, and any applications for, such rights;

"Investment Securities" means all shares, stock, debentures, debenture stock, bonds and other investments (as listed in Part II, Schedule 2 of the Financial Services and Markets Act 2000), including for the avoidance of doubt, the entire issued share capital of BC2 Limited whether certificated or uncertificated and whether in registered or bearer form, including all depository interests representing any of them and including all rights and benefits of a capital nature accruing at any time in respect of any Investment Securities by way of redemption, repayment, substitution, exchange, bonus or preference, option, rights or otherwise;

"Land" means includes freehold and leasehold, and any other estate in, land and (outside England and Wales) immovable property and in each case all buildings and structures upon and all things affixed to Land (including trade and tenant's fixtures);

"Lender" means:

- a) any Original Lender; and
- b) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with Clause 24 (Changes to the Lenders) of the Facility Agreement,

which in each case has not ceased to be a Party in accordance with the terms of this Agreement;

"Original Guarantor" means those parties listed in part 1 of Schedule 1 of the Facility Agreement;

"Original Lender" means the Governor And Company Of The Bank Of Scotland;

"Property" means the property or properties as set out in the Schedule (The Property) to this Form 395 and includes each and every part of such property or properties and all buildings fixtures and fittings thereon.

"Relevant System" has the meaning given to that term by the Uncertificated Securities Regulations 2001 and includes the CREST system and also any other system or facility (whether established in the United Kingdom or elsewhere) providing means for the deposit of, and clearance of transactions in, Investment Securities;

See Continuation Sheet 5

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Particulars of a mortgage or charge (continued)

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Continuation sheet No 5
to Form No 395 and 410 (Scot)

*Please complete
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Company Number

03963711

Name of Company

Bondcare (Middleton) Limited (the "Company")

~~XXXXXX~~

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

***Please complete
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Please do not
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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

*Please complete
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"Secured Finance Party" means the Agent, the Arranger, BOS, the Lenders and the Hedging Counterparty and their respective successors and assigns;

"Security" includes any existing or future mortgage, charge, bond or indemnity;

"Specified Investment Securities" means in relation to the Company, all Investment Securities:

a) which now or in the future represent a holding in a Subsidiary of such Company or an undertaking which would be its subsidiary undertaking if in section 258(2)(a) of the Act "30 per cent or more" were substituted for "a majority";

b) which are now or in the future held in the name of the Security Trustee or its nominee or to its order; or

c) the certificates for which are now or in the future deposited by such Chargor with the Security Trustee or which, if uncertificated, are held in an escrow or other account in favour of the Security Trustee or its nominee.

The Schedule

The Property

Dovedale, Grimshaw Lane, Middleton, Rochdale, M24 2BW registered under title numbers GM180751, GM180769, GM856720, GM856721, GM99177, GM236641 and GM180752

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CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 03963711

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 18th JULY 2005 AND CREATED BY BOND CARE (MIDDLETON) LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE CHARGORS TO THE SECURITY TRUSTEE 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 27th JULY 2005.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 1st AUGUST 2005.

A handwritten signature in ink, appearing to be 'B. G.' or similar, written over a faint circular stamp.



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES