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COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

CHA213

Pursuant to section 395 of the Companies Act 1985

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write in
this margin

To the Registrar of Companies

For official use

Company number

(Address overleaf—Note 5)

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324 1233

Name of Company

Please complete
legibly, preferably
in black type, or
bold block letteringECD (Cookham Wood) Limited (the "**Company**")

Date of creation of the charge

3 March 1997

* insert full name
of company

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

Fixed and Floating Charge Debenture (the "**Debenture**")

Amount secured by the charge

The "**Liabilities**", which are defined in the Debenture as meaning all moneys, debts and liabilities which now are or have been or at any time hereafter may be or become due, owing or incurred by the Company to any Bank Secured Creditor under or in connection with any Banks Financing Document (in each case, whether alone or jointly, or jointly and severally, with any other Person, whether actually or contingently and whether as principal debtor, guarantor, surety or otherwise).

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

ABN AMRO Bank N.V. (as trustee for the Bank Secured Creditors)

101 Moorgate, London

Postcode

EC2M 6SB

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

Linklaters & Paines
Barrington House
59-67 Gresham Street
London EC2V 7JA
Ref: SUMH
Tel: 0171 606 7080 Ext. 3381

Time critical reference

For Official Use

Mortgage Section

Post Room



Short particulars of all the property charged

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this margin

The Company with full title guarantee and as security for the payment and discharge of all Liabilities charged in favour of the Trustee as trustee for the Bank Secured Creditors:

- (1) by way of first legal mortgage, all that leasehold property known as Cookham Wood Secure Training Centre, Cookham Wood, Rochester, Kent, the subject of a lease dated the date of the Debenture between Her Majesty's Principal Secretary of State for the Home Department (as Landlord) and ECD (Cookham Wood) Limited and Rebound ecd Limited (as tenants),
- (2) by way of first fixed equitable charge, all Real Property now belonging to it (except that referred to in paragraph (1) above) and all Real Property acquired by it after the date of the Debenture,
- (3) by way of first fixed charge:-
 - (a) all Book Debts and the Project Accounts (except the Distribution Account) and all of the present and future right, title and interest of the Company to all sums in cash and to any and all negotiable instruments and payment orders, in each case deposited from time to time in the Project Accounts (except the Distribution Account) and any and all Authorised Investments,

Please complete
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bold block lettering

Particulars as to commission allowance or discount (note 3)

NIL

Signed

Date

6 March 1997

On behalf of chargee †

x

humblest c Partner

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

Companies House, Crown Way, Cardiff CF4 3UZ

- (b) all its present and future Investments, Rights attaching or relating to Investments and all cash or other Investments hereafter belonging to the Company and deriving from Investments or such Rights,
- (c) all its present and future uncalled capital and goodwill,
- (d) all its present and future Intellectual Property and the benefit of all present and future licences and sub-licences of Intellectual Property granted either by or to it,
- (e) all its present and future plant and machinery (except that referred to in paragraphs (1) and (2) above and except that charged by the Fixed Charge),
- (f) all of the present and future right, title and interest of the Company in, to and under the Charged Contracts (except for the Insurances and the Project Accounts) and all moneys which at any time may be or become payable to the Company pursuant thereto and the net proceeds of any claims, awards and judgments which may at any time be receivable or received by the Company pursuant thereto,
- (g) all of the present and future right, title and interest of the Company in, to and under its present and future Insurances and all proceeds in respect of Insurances and all benefits thereof (including all claims of whatsoever nature relating thereto and returns of premium in respect thereof),
- (h) all its present and future Rights in relation to its Real Property (except those referred to in paragraphs (1) and (2) above), and
- (4) by way of first floating charge, its undertaking and all its Assets, both present and future (including Assets referred to in paragraphs (1) to (3) above) except the Distribution Account and except those Assets charged by the Fixed Charge.

Note (A): The Debenture provides that:-

(1) Ranking

The floating Charge on or over any Asset created by the Debenture shall rank behind all the fixed Charges created by or pursuant to the Debenture but shall rank in priority to any other Security created by the Company after the date of the Debenture (a) except for any Security permitted by paragraph (2)(i) below which ranks in priority and (b) except for Security created by a receiver and ranking in priority.

(2) Restrictions on Dealing:

(i) Permitted Security:

The Company shall not create or have outstanding any Security on, over or with respect to any of its present or future Assets except for:-

- (1) the Security created by or pursuant to the Security Documents and the Fixed Charge;
- (2) rights of set off and liens arising solely by operation of law (or by an agreement evidencing the same) in the ordinary course of its business in respect of Indebtedness which either (i) has been outstanding and, if it has fallen due, has been due for less than thirty (30) Business Days or (ii) is being contested in good faith and by appropriate means;
- (3) security arising out of title retention provisions in a supplier's standard conditions of supply of goods acquired by the relevant Person in the ordinary course of its business; and
- (4) any other Security created or subsisting with the prior consent of the Majority Banks.

(ii) Registered Land

The Company shall not, save as contemplated in the Relevant Documents, in relation to any of its Real Property (1) grant any Rights over its Real Property, (2) exercise any of the powers of leasing or agreeing to lease vested in or conferred on mortgagors by common law or by statute, (3) create a tenancy of any kind, (4) part with or share possession or occupation, (5) accept the surrender of any lease, underlease or tenancy, or (6) agree to do any of the foregoing.

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(iii) Intellectual Property

The Company shall not in relation to any of its present or future Intellectual Property or any part thereof grant any exclusive registered user agreement or exclusive licence, save as contemplated in the Relevant Documents.

(iv) Charged Contracts

- (1) The Company shall not amend, vary, waive or modify or concur in the amendment, waiver or modification of or cancel, terminate, suspend or surrender any of the Banks Financing Documents or (except as required thereby or by any applicable law or unless not in any respect material to the interests of the Banks) the Project Documents save pursuant to, and in accordance with, Clauses 11 and 47 of the DCMF Contract and for changes to other Project Documents which are consequential thereon.
- (2) The Company shall remain liable under the Charged Contracts to perform all the obligations assumed by it thereunder and neither the Trustee nor any Bank Secured Creditor, Receiver, delegate or sub-delegate shall be under any obligation or liability to the Company or any other Person under or in respect of any Charged Contract, whether by reason of the Debenture or otherwise.

(v) Book Debts and Bank Accounts

(1) Collection

The Company shall promptly collect all Book Debts and, until payment into a Project Account as provided for in Clause 20 of the Facility Agreement, shall receive and hold the proceeds of collection thereof on trust for the Trustee.

(2) Payment into Project Accounts

The Company shall promptly pay all moneys received by it from any source (including all proceeds of collection of Book Debts) into the relevant Project Account in accordance with Clause 20 of the Facility Agreement.

(3) Restriction on Bank Accounts

The Company shall have no bank accounts other than those provided for in Clause 20 of the Facility Agreement.

(4) Withdrawals

The Company shall not be entitled to withdraw all or any part of the balance standing to the credit of any Project Account except to such extent permitted in the Facility Agreement. If under Clause 20 of the Facility Agreement the withdrawal of any amount to or from any Project Account is permitted then, on the relevant debit being made, the relevant amount shall be automatically released from the fixed Charge thereon (if any) created by or pursuant to this Debenture. However, if and to the extent that all or part of that amount is paid into another Project Account which is in credit or becomes in credit as a result, it shall thereupon automatically become subject to the fixed Charge (if any) on the credit balance in such Project Account.

(5) Restrictions on Dealing with Book Debts

Subject as set out in paragraph (2)(i) above, and subject to Clause 15.2.6 of the Facility Agreement restricting disposals by the Company:

- (a) except for the Charges, the Company shall not create or have outstanding any Security on, over or with respect to all or any part of any of the Book Debts; and
- (b) unless called upon by the Trustee to execute and deliver to the Trustee (in such form as the Trustee may reasonably require) a legal assignment of all the Company's right, title and interest in and to such of the Book Debts as the Trustee may reasonably designate (either generally or specifically), the Company shall not sell, factor, discount, transfer, assign, lend or otherwise dispose of all or any part of any of the Book Debts.

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(vi) Charged Investments

- (1) The Trustee or, as the case may be, the Receiver shall on or at any time after the occurrence of an Enforcement Event be entitled to exercise or direct the exercise of all Rights (including voting rights) attached to, or connected with, any Charged Investment in such manner as it or he deems necessary to protect its or his interest. The Company shall comply or procure the compliance with any directions of the Trustee or, as the case may be, the Receiver in respect of the exercise of such Rights and shall deliver to the Trustee or, as the case may be, the Receiver such forms of proxy and/or other documents as it or he may reasonably require with a view to enabling such Person as it or he may select to exercise such Rights.
- (2) Until the occurrence of an Enforcement Event, the Company shall be entitled to exercise or direct the exercise of (or refrain from exercising or directing the exercise of) such Rights and the Company shall at all times (except when expressly directed otherwise by the Trustee) ensure that:
 - (a) it does so for a purpose not inconsistent with any provision of any Banks Financing Document; and
 - (b) such action or inaction would not have an adverse effect on the value of the relevant Charged Investment or the Charged Assets and would not otherwise materially prejudice the interests of the Bank Secured Creditors.

(3) Conversion of Floating Charge

The Trustee (as trustee for the Bank Secured Creditors) may by notice to the Company convert the floating Charge created by the Debenture into a fixed Charge as regards such Charged Assets as shall be specified (whether generally or specifically) in that notice:

- (1) if it reasonably considers that it would be necessary to do so in order to protect or preserve the Charges over those Charged Assets or the priority of those Charges; and/or
- (2) on or at any time following the occurrence of an Enforcement Event; and/or
- (3) if, without the prior consent in writing of the Trustee, the Company creates any Security in breach of its undertakings referred to in paragraph (2)(i) above over any of the Charged Assets not expressed to be subject to a fixed Charge under the Debenture, or attempts to do so, or if any Person levies or attempts to levy any distress, attachment, execution or other legal process against any of those Charged Assets, and, in each case, such event has or is reasonably likely to have a Material Adverse Effect on the Company or the Project.

Note (B): In this Form and its Continuation sheets, except to the extent that the context requires otherwise:-

"Account Bank" means ABN AMRO Bank N.V. as holder of the Project Accounts, and/or such other banks as may be appointed additional or substitute holders of any Project Accounts in accordance with the Facility Agreement

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"Account Bank Agreement" means an agreement dated the date of the Debenture between the Company, the Account Bank and the Facility Agent in relation to the establishment and operation of the Project Accounts (other than the Distribution Account) in the form set out in the Facility Agreement together with any bank mandates, fee letters or safekeeping agreements agreed between the Company and the Account Bank relating thereto

"Advance" means an advance made, or to be made, by the Banks under the Facility Agreement or, as the case may be, the outstanding principal amount of any such advance (including, except where the context requires otherwise, any Working Capital Advance and any amount treated as an Advance pursuant to the Facility Agreement)

"Agency" includes any agency, authority, central bank, department, government, legislature, minister, ministry, official, public utility or public or statutory Person (whether autonomous or not) of, or of the government of, the United Kingdom for any other relevant jurisdiction

"Approved Hedging Programme" means at any time the Original Hedging Agreement and following the expiry of the Original Hedging Agreement any programme from time to time adopted by the Company and approved by the Facility Agent on behalf of the Majority Banks for the entering into and performance by the Company of agreements for the management of the Company's exposure to changes in floating rates of interest

"Assets" means, in relation to any Person, all or any part of its business, undertaking, property, assets, revenues, Rights and uncalled capital, wherever situated

"Authorised Investments" means any of:-

- (a) U.K. government securities denominated in Sterling and with less than two years to run to maturity, or
- (b) Sterling bank debt obligations in the form of the Project Accounts or time deposits, certificates of deposit or banker's acceptances and payable not more than 180 days from the date of original issue, in each case held or issued, as the case may be, in England with or by a bank which is an authorised institution under the Banking Act 1989 and has a short term debt rating of A1 or better by Standard & Poors Corporation or P1 or better by Moody's Investors Service, Inc.

"Authority Direct Agreement" means the direct agreement dated the date of the Debenture between the Company, the Facility Agent, the Trustee and the Secretary of State in respect of the DCMF Contract and the Lease

"Available Loan Commitment" means, in relation to a Bank, its Loan Commitment less the principal amount of its Loan Outstandings

"Available Working Capital Commitment" means, in relation to the Working Capital Bank, its Working Capital Outstandings

"Banks" means ABN AMRO Bank N.V., any New Bank and their respective successors and permitted assigns but not including any Bank in its capacity as a Hedging Counterparty and, except in Clause 4.1 (Drawdown Request), Clause 4.3.1 (Pro Rata Participation in Loan Advances), Clause 11 (Change in Market Conditions), Clause 19.3 (Broken Funding Costs) and Clause 24.2 (Pro Rata Sharing), a

reference to "**Bank**" shall include reference to the Working Capital Bank

"Banks Financing Documents" means:-

- (i) the Facility Agreement
- (ii) the Original Hedging Agreement and any other Hedging Agreement effected pursuant to the Approved Hedging Programme
- (iii) the Security Documents
- (iv) the Direct Agreements
- (v) the Account Bank Agreement
- (vi) the notices of charge (other than such notices which are contemplated to be given pursuant to the Facility Agreement or a Direct Agreement) given pursuant to and as contemplated by the Debentures and the acknowledgments thereto
- (vii) the Fee Letters; and
- (viii) all agreements and other documents executed from time to time pursuant to any of the foregoing to which the Facility Agent and/or the Trustee and/or any other Bank Secured Creditor is a party and any present or future document confirming or evidencing any Security or Guarantee for, or in relation to, the Company's obligations under any other Banks Financing Document

"Bank Secured Creditors" means the Trustee, the Facility Agent, the Banks and any Hedging Counterparty (in their respective capacities) and includes every permitted assignee, permitted transferee or successor of any of the foregoing

"Book Debts" means all book and other debts or sums of any nature whatsoever (excluding the Project Accounts), but, for the avoidance of doubt, including all cash deriving from Investments or Rights attaching or relating to Investments, now or hereafter due or owing to the Company and the benefit of all negotiable instruments, Rights, Security and Guarantees of any nature whatsoever at the date of the Debenture or thereafter enjoyed or held by it in relation thereto

"Borrowed Money" means any Indebtedness (a) for or in respect of money borrowed or raised (whether or not for cash), by whatever means (including acceptances, deposits, discounting, factoring, finance leases, hire purchase, sale-and-leaseback, sale-and-repurchase and any form of "off-balance sheet" financing (other than financing the acquisition of an Asset in respect of which repayment is to be made solely out of the revenues generated by the Asset and where the recourse of the provider of the finance is limited to the Asset so financed)) or (b) for the deferred purchase price of Assets or services (other than goods or services obtained on normal commercial terms in the ordinary course of trading) where payment may be made at least 30 days after the purchase thereof

"Business Day" means a day on which (a) Sterling deposits may be dealt in on the London inter-bank market and (b) commercial banks are open for business in London

"Charged Assets" means, subject to Clause 9.2 of the Debenture, Assets from time to time subject, or expressed to be subject, to the Charges or any part of those Assets

"Charged Contracts" means the Project Documents, the Sponsor Support Agreement, The Hedging Agreement, the Insurances and the Project Accounts

"Charges" means all or any of the charges or other Security created (or expressed to be created), or which may at any time be created (or expressed to be created), by or pursuant to the Debenture

"Collateral Warranty Agreement" means the agreement dated the date of the Debenture entered into between the Constructor, the Borrower and the Authority

Please complete
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"Company's Group" means the Company, Education Care and Discipline Limited and their respective subsidiaries from time to time

"Commitment" means, in relation to a Bank at any particular time and subject to reduction, novation or cancellation as provided in this Agreement, the aggregate of its Loan Commitment and its Working Capital Commitment (or as provided in any Transfer Certificate by which such Bank acquires a participation under the Facility Agreement)

"Constructor" means Tarmac Construction Limited (or any of its successors or permitted assigns)

"Contractor" has the meaning given to that term in the definition of "Insurances"

"DCMF Contract" means the agreement dated the date of the Debenture between the Company and the Secretary of State for the design, construction, management and financing of the STC at Cookham Wood, Kent

"DCC Direct Agreement" means the direct agreement dated the date of the Debenture between the Company, the Facility Agent, the Trustee, the Constructor and Tarmac plc in respect of the Design and Construct Contract

"DCC Guarantee" means the guarantee dated the date of the Debenture given by Tarmac plc to the Borrower in respect of the Design and Construct Contract

"Debentures" means:-

- (a) the Debenture and
- (b) the debenture dated the date of the Debenture given by Education Care and Discipline Limited to the Trustee in its capacity as trustee for the Bank Secured Creditors

"Design and Construct Contract" has the meaning given to that term in the definition of "Project Documents"

"Direct Agreements" means (a) the DCC Direct Agreement, (b) the OA Direct Agreement and (c) the Authority Direct Agreement

"Distribution Account" has the meaning given to that term in the definition of the "Project Accounts"

"Enforcement Event" means the service by the Facility Agent of a notice under and in accordance with Clause 17(a) or (b) (Events of Default) of the Facility Agreement

"Facilities" means the Loan Facility and the Working Capital Facility

"Facility Agent" means ABN AMRO Bank N.V. in its capacity as agent for the Banks and its assigns in that capacity and/or any successor appointed as Facility Agent pursuant to the Facility Agreement

"Facility Agreement" means the £12,850,000 facility agreement dated the date of the Debenture made between the Company, Education Care and Discipline Limited, ABN AMRO Bank N.V. as Arranger, ABN AMRO Bank N.V. as Hedging Counterparty, ABN AMRO Bank N.V. as Account Bank, ABN AMRO Bank N.V. as Facility Agent and Trustee and the Banks defined therein

"Fee Letters" means the letters dated the date of the Debenture pursuant to the Facility Agreement from the Borrower to the Facility Agent in respect of fees

"Financing Costs" means:-

Please complete
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- (a) interest under the Facility Agreement (including, without limitation, default interest and sums payable under Clauses 8 (Taxes), 10 (Increased Costs) and 11 (Change in Market Conditions) of the Facility Agreement) and in respect of any other Indebtedness in respect of Borrowed Moneys incurred by the Company (other than Subordinated Debt) which is permitted under Clause 15.2.10 of the Facility Agreement and
- (b) all commitment fees paid or payable by the Company under the Facility Agreement and all similar fees of a periodic nature (other than interest) in respect of any other Indebtedness in respect of Borrowed Money incurred by the Company which is permitted under Clause 15.2.10 of the Facility Agreement

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and, in respect of any relevant period, means the aggregate of (a) and (b) above paid or payable during that period calculated (to the extent applicable) on an actual basis plus net payments by the Borrower under the Hedging Agreement in such relevant period or less net payments to the Borrower under the Hedging Agreement in such relevant period (as the case may be)

"Fixed Charge" means the Charge dated the date of the Debenture given by the Company to the Authority in respect of certain property

"Fixtures" means, in relation to any Person, the fixtures, fittings (including trade fixtures and fittings), growing crops, and fixed plant, machinery and apparatus belonging to it, but excludes the equipment supplied by the Authority pursuant to the DCMF Contract

"Guarantee" includes an indemnity, a performance bond, and any other obligation (whatever called) of any Person to pay, purchase, provide funds (whether by the advance of money, the purchase of or subscription for shares or other securities, the purchase of Assets or services, or otherwise) for the payment of, indemnify against the consequences of default in the payment of, or otherwise be responsible for, any Indebtedness of any other Person (and "guaranteed" and "guarantor" will be construed accordingly)

"Hedging Agreement" means any agreement made between the Company and any Hedging Counterparty wherein the Company assumes an obligation to make payments to such Hedging Counterparty calculated by reference to a fixed rate of interest applied to a notional principal amount and such Hedging Counterparty assumes an obligation to make payments to the Company calculated by reference to a floating rate of interest applied to a notional principal amount

"Hedging Counterparty" means ABN AMRO Bank N.V. in its capacity as Hedging Counterparty or any other Bank with whom the Company has entered into a Hedging Agreement pursuant to the Approved Hedging Programme

"Indebtedness" includes any obligation (whether present or future, actual or contingent, secured or unsecured, as principal, surety or otherwise) for the payment or repayment of money

"Insurances" means all insurances effected or to be effected by the Company for the benefit of the Company and, among others, the Bank Secured Creditors, including

- (a) the following contractors all risks and public liability policies

Policy No.	SG325/Z1368986	issued by	Guardian
Policy No.	2070810196	issued by	Allianz
Policy No.	CW923P26685	issued by	Commercial Union
Policy No.	42557386/9	issued by	Eagle Star
Policy No.	[T.B.A.]	issued by	Independent
Policy No.	RMM871985	issued by	Royal & Sun Alliance
Policy No.	[T.B.A.]	issued by	Cigna

Policy No.	62/916591/33	issued by	Gerling
Policy No.	[T.B.A.]	issued by	Scor

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effected by the Company from the date of the Debenture for the benefit of:-

- (i) The Company
- (ii) The Crown and Her Majesty's Principal Secretary of State for the Home Department
- (iii) Tarmac Construction Limited, Tarmac plc and its associated and subsidiary companies and Group 4 Securitas N.V. and its associated and subsidiary companies (together, the **"Contractor"**)
- (iv) the Facility Agent and Trustees for themselves and others

(b) the following loss of anticipated profit:

Policy No.	SG325/Z1368994	issued by	Guardian
Policy No.	2070810296	issued by	Allianz
Policy No.	CK923P26686	issued by	Commercial Union
Policy No.	42557386/9	issued by	Eagle Star
Policy No.	[T.B.A.]	issued by	Independent
Policy No.	RMM871986	issued by	Royal & Sun Alliance
Policy No.	[T.B.A.]	issued by	Cigna
Policy No.	62/916591/33	issued by	Gerling
Policy No.	[T.B.A.]	issued by	Scor

(c) effected by the Company from the date of the Debenture for the benefit of:-

- (i) the Company
- (ii) the Contractor
- (iii) the Facility Agent and the Trustee themselves and others
- (d) one or more all risks property damage insurance policies to be effected by the Company
- (e) one or more business interruption insurance policies to be effected by the Company
- (f) one or more primary third party/public liability insurance policies to be effected by the Company
- (g) one or more excess third party/public liability insurance policies to be effected by the Company]

"Intellectual Property" means intellectual property of every description (including, without limitation, patents, copyrights, design registrations, trade marks, service marks and know-how)

"Investments" means (1) shares, stock and debentures (including debenture stock, loan stock, bonds, notes and certificates of deposit), (2) warrants, options or other Rights to subscribe for, purchase, call for delivery of or otherwise acquire shares, stock or debentures, (3) all Rights relating to shares, stock or debentures which are deposited with, or registered in the name of, any depositary, custodian, nominee, clearing house or system, investment manager or other similar Person or the holder of any Security or such holder's nominee, in each case whether or not on a fungible basis (including rights against any such Person) and (4) any other securities in, of or created by any Person

"Lease" means the underlease described in Schedule 1 of the Debenture

"Loan Advance" means an advance made, or to be made, by the Banks under the Loan Facility in accordance with the Facility Agreement or, as the case maybe, the outstanding principal amount of any such advance

"Loan Commitment" means, in relation to a Bank and subject as provided in the Facility Agreement, the amount set opposite its name at the end of the Facility Agreement under the heading "Loan Commitment" or, as the case may be, the amount of Loan Commitment acquired by it pursuant to a Transfer Certificate

"Loan Facility" means the Loan Facility in an aggregate amount not exceeding the £12,550,000 granted by the Banks to the Company pursuant to the Facility Agreement

"Loan Outstandings" means, in relation to a Bank at any particular time, the aggregate principal amount of its share of all (if any) Loan Advances outstanding at that time

"Majority Banks" means Banks whose aggregate Outstandings (excluding Financing Costs) and Commitments together exceed sixty-six and two-thirds per cent. of the aggregate Total Outstandings (excluding Financing Costs) and total Available Working Capital Commitments and Available Loan Commitments)

"Material Adverse Effect" means in the reasonable opinion of the Facility Agent or on the instructions of the Majority Banks, there has occurred or is likely to occur, a material adverse effect, (a) in relation to the Person or entity concerned, on its ability to perform and comply with its obligations under the Relevant Documents to which it is a party, or (b) in relation to the Project, on the development, construction, ownership, operation or maintenance of the STC in accordance with the Relevant Documents

"New Bank" means a bank or financial institution (which may or may not already be a Bank) to which a Bank seeks to novate all or part of its rights and/or obligations in accordance with the Facility Agreement

"OA Direct Agreement" means the direct agreement dated the date of the Debenture between the Company, the Facility Agent, the Trustee, the Operator and Group 4 Securitas N.V. in respect of the Operating Agreement

"OA Guarantee" means the guarantee dated the date of the Debenture given by Group 4 Securitas N.V. to the Company in respect of the Operating Agreement

"Operator" means Rebound ecd Limited (or any successor or permitted assign) or such other Person as may be substituted as operator of the STC pursuant to the OA Direct Agreement with the consent of the Majority Banks

"Operating Agreement" has the meaning given to that term in the definition of Project Documents

"Original Hedging Agreements" means the Hedging Agreements comprising the ISDA Master Agreements dated the date of the Debenture between the Company and ABN AMRO Bank N.V. and the confirmations thereunder

"Outstandings" means, in relation to a Bank at any particular time, the aggregate principal amount of that Bank's Loan Outstandings and Working Capital Outstandings at that time and all Financing Costs (except for sums payable in respect of a Hedging Agreement) due to that Bank and unpaid

"Person" includes any individual, company, corporation, firm, partnership, joint venture, association, organisation, trust, state or Agency of a state (in each case whether or not having separate legal personality)

"Project" means the design, construction, commissioning, maintenance, operation and financing of the STC and activities ancillary or related thereto pursuant to the DCMF Contract

"Project Accounts" means:-

- (a) the Proceeds Account (account number 00093386) in the name of the Company held with the Account Bank
- (b) the Equity Reserve Account (account number 00093408) in the name of the Company held with the Account Bank
- (c) the Insurance Proceeds Account (account number 00093416) in the name of the Company held with the Account Bank
- (d) the Insurance Deductibles Account (account number 00093424) in the name of the Company held with the Account Bank
- (e) the Debt Service Account (account number 00093432) in the name of the Company held with the Account Bank
- (f) the Contingent Reserve Account (account number 00093459) in the name of the Company held with the Account Bank
- (g) the Management Fee Account (account number 00093467) in the name of the Company held with the Account Bank
- (h) the Operating Account (account number 0093394) in the name of the Company held with the Account Bank and
- (i) the Distribution Account (account number 00093475) in the name of the Company held with the Account Bank (the **"Distribution Account"**)
- (j) the Tax Reserve Account (account number 00093483) in the name of the Company held with the Account Bank.
- (k) the ECD Account (account number 00093602) in the name of Education Care and Discipline Limited held with the Account Bank

"Project Documents" means:-

- (a)
 - (i) the DCMF Contract
 - (ii) the Lease
 - (iii) the Design and Construct Contract dated the date of the Debenture between the Company and the Constructor relating to the design, construction and commissioning of the STC by the Constructor (the **"Design and Construct Contract"**)
 - (iv) the Operation Agreement dated the date of the Debenture between the Company, the Operator and the Constructor in connection with the Project (the **"Operating Agreement"**)
 - (v) the Project Guarantees
 - (vi) the Shareholders Agreement dated the date of the Debenture between the Company, Education Care and Discipline Limited and the Shareholders
 - (vii) the Subordinated Loan Stock Instruments
 - (viii) the Memorandum and Articles of Association of the Company
 - (ix) the Sponsor Support Agreement
 - (x) the Collateral Warranty Agreement

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

(xi) the Fixed Charge

- (b) all agreements or instruments entered into in connection with or pursuant to any of the foregoing or affecting in any material respect the interests of the Banks under the Banks Financing Documents to which any member of the Company's Group is or hereafter becomes a party or under which any such member has or at any time after the date of the Debenture directly or indirectly acquires benefits

Please complete
legibly, preferably
in black type, or
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"Project Guarantees" means the DCC Guarantee and the OA Guarantee

"Real Property" means in relation to any Person, all or any part of its freehold and leasehold property in England and Wales and other real property anywhere in the world and any estate or interest therein and any reference to Real Property includes a reference to all Rights from time to time attached or appurtenant thereto and all buildings, and all Fixtures belonging to that Person, from time to time therein or thereon

"Receiver" means an administrative receiver, receiver and manager or other receiver appointed in respect of the Charged Assets (whether appointed pursuant to the Debenture, pursuant to any statute, by a court or otherwise).

"Relevant Documents" means the Project Documents and the Banks Financing Documents

"Rights" means rights, authorities, discretions, remedies, liberties, powers, easements, quasi-easements and appurtenances (in each case, of any nature whatsoever)

"Secretary of State" means Her Majesty's Principal Secretary of State for the Home Department

"Security" includes any mortgage, pledge, lien, hypothecation, security interest or other charge or encumbrance and any other agreement or arrangement having substantially the same economic effect (including any "hold-back" or "flawed asset" arrangement but excluding any right of set-off which does not constitute a charge) (and "secured" will be construed accordingly)

"Security Documents" means:-

- (1) the Debentures
- (2) the Trust Deed and
- (3) all agreements and other documents executed from time to time pursuant to any of the foregoing

"Shareholder" means either of Prison and Court Services Limited or Tarmac (PFI) Limited or such other shareholders of Education Care and Discipline Limited from time to time and **"Shareholders"** shall mean any of them

"Shareholders' Agreement" means the agreement so entitled dated the of the Facility Agreement between the Company, Education Care and Discipline Limited and the Shareholders

"Sponsor" means either of Tarmac plc or Group 4 Securitas N.V. and **"Sponsors"** shall mean both of them

"Sponsor Support Agreement" means the agreement dated the date of the Debenture between the Company, Education Care and Discipline Limited, the Shareholders, the Sponsors, the Facility Agent and the Trustee

"STC" means the buildings and structures together with any associated works, facilities and installations to be constructed pursuant to the DCMF Contract.

"Sterling" and **"£"** means the lawful currency of the United Kingdom

"Subordinated Debt" means indebtedness of the Company as contemplated by the Sponsor Support Agreement and/or provided pursuant to the Subordinated Loan Stock Instruments

"Subordinated Loan Stock Instrument" means the instrument constituting the Zero Coupon Perpetual Subordinated Loan Stock of the Company executed on the date of the Debenture and any other instrument entered into to create any other Subordinated Debt

"Total Commitments" means, at any particular time, the aggregate of the Commitments of all the Banks

"Total Outstandings" means, at any particular time, the aggregate of the outstandings of all the Banks

"Transfer Certificate" means a Transfer Certificate substantially in the form set out in the Facility Agreement and which effects a novation or transfer by a Bank of any of its rights or obligations under, inter alia, the Facility Agreement to a New Bank

"Trustee" means ABN AMRO Bank N.V. in its capacity as trustee for the Bank Secured Creditors and its successors and assigns in that capacity.

"Trust Deed" means the trust deed dated the date of the Facility Agreement to be entered into by the Trustee in relation to the Debentures (amongst other things) in favour of ABN AMRO Bank N.V.

"Working Capital Advance" means an advance made, or to be made, by ABN AMRO Bank N.V. or its successors or permitted assigns under the Facility Agreement or, as the case may be, the outstanding principal amount of any such advance pursuant to the Working Capital Facility

"Working Capital Bank" means ABN AMRO Bank N.V. or its successor or permitted assigns

"Working Capital Commitment" means, in relation to a Working Capital Bank and subject to the terms of the Facility Agreement, the amount set opposite its name at the end of the Facility Agreement under the heading "Working Capital Commitment" or, as the case may be, the amount of Working Capital Commitment acquired by it pursuant to a Transfer Certificate

"Working Capital Facility" means a facility in an aggregate amount not exceeding £300,000 granted by ABN AMRO Bank N.V. to the Company pursuant to the Facility Agreement

"Working Capital Outstandings" means, in relation to a Bank at any particular time, the aggregate principal amount of its share of all (if any) Working Capital Advances outstanding at that time

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in black type, or
bold block lettering

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 03241233

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A FIXED AND FLOATING CHARGE DEBENTURE DATED THE 3rd MARCH 1997 AND CREATED BY ECD (COOKHAM WOOD) LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO ABN AMRO BANK N.V. (AS TRUSTEE FOR THE BANK SECURED CREDITORS) UNDER OR IN CONNECTION WITH ANY BANKS FINANCING DOCUMENT WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 10th MARCH 1997.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 12th MARCH 1997.

A handwritten signature in cursive script, appearing to read 'A.P. Goddard'.

A.P. GODDARD

for the Registrar of Companies



C O M P A N I E S H O U S E

15/12/97