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CHFP041

COMPANIES FORM No. 395

Particulars of a mortgage or charge (BURNLEY)

Pursuant to section 395 of the Companies Act 1985

DEVELOPMENT CRANLEY MEMORANDUM

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

395

Please do not write in this margin

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

* Insert full name of company

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

For official use

Company number
COMPANIES HOUSE
3517404

Name of company

* CRANLEY LIMITED (the "Company")

Date of creation of the charge

17 October 2003

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

MEMORANDUM OF DEPOSIT OF SECURITIES ("the Memorandum")

Amount secured by the mortgage or charge

10
All present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor to the Bank under any of the Finance Documents together with all costs, charges and expenses incurred by the Bank in connection with the protection, preservation or enforcement (in the case of protection or preservation, to the extent such costs, charges and expenses are reasonable) of its respective rights under the Finance Documents or any other document evidencing or securing any such liabilities (the "Secured Liabilities").

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

AD
Barclays Bank PLC
54 Lombard Street
London
Postcode EX3V 9EX

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

Simon Bishop & Partners
"Hillcairnle"
St Andrew's Road WR9 8DU
DX 19923 Droitwich

For official use
Mortgage section

Post room

A59
COMPANIES HOUSE
APK68PTF
0845
06/11/03

Time critical reference

Short particulars of all the property mortgaged or charged

The Company charged by way of the Memorandum the following:

- (a) 2 ordinary shares of £1 each in Highway (Burnley) Limited (Reg.no. 2693859) ("the Securities")
- (b) executed blank stock transfer form;
- (c) any bonus stock or shares or other new securities of a similar nature from the date of the Memorandum until the discharge of all liabilities under the Finance Documents; and
- (d) all dividends and interest and all rights moneys or property accruing or offered at any time by way of redemption bonus, preference option or otherwise in respect of the Securities

Please refer to Schedule 1 for the definitions of terms used in this form 395 and in Schedule 1

Please do not write in this margin

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

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)

Not applicable

Signed Simon Bishop and Partners

Date 6-11-03

On behalf of [company] [mortgage/charge]*

*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.

SCHEDULE 1

CRANLEY LIMITED
(Company no: 3517404)

Definitions of the terms used in form 395 and Schedule 1, as used in the Debenture

Accession Agreement: a Guarantor Accession Agreement;

Additional Guarantor: any other member of the Warehouse Group that becomes party to the Development Facility Agreement as a Guarantor pursuant to a Guarantor Accession Agreement;

Advance: the principal amount of each borrowing under the Development Facility Agreement or the principal amount of such borrowing outstanding from time to time;

Approved Company: the entire issued share capital of a limited liability company incorporated in England and Wales or in Scotland whose sole business activities comprise owning and running Care Homes satisfying the criteria agreed from time to time between the Obligors' Agent and the Facility Agent and which is approved in writing by the Facility Agent;

Bank: Barclays Bank PLC;

Borrower: the Parent and/or the CHL and, as the context requires and in relation to any Advance, the borrower of such Advance

Care Homes: a nursing home, residential home or specialist care home providing medical or social care which may be required to be registered by a Health Authority or a Local Authority under the Relevant Act;

CHL: Craegmoor Homes Limited, a company incorporated in England and Wales (No. 4790588);

Debenture: means the debenture dated 16 October 2003 between Craegmoor Homes Limited and the Security Agent;

Development Facility Agreement: the £15,000,000 term loan facility agreement dated 16 October 2003 between Craegmoor Homes Limited, Craegmoor Group Limited and the Bank, together with each Guarantor Accession Agreement and Substitution Certificate relating thereto and any and each other agreement or instrument supplementing or amending it;

Facility Agent: Barclays Bank PLC as facility agent under the Warehouse Facility Agreement and its permitted successors and assigns;

SCHEDULE 1

CRANLEY LIMITED
(Company no: 3517404)

Definitions of the terms used in form 395 and Schedule 1, as used in the Debenture

Finance Documents: the Development Facility Agreement, the Debenture and Share Pledge and any and each other agreement or instrument supplementing or amending any of such documents;

Guarantor: each of the Borrowers and each Additional Guarantor;

Guarantor Accession Agreement: an agreement substantially in the form of Schedule F of the Warehouse Facility Agreement;

Health Authority: means a health authority in England and Wales or a health board (or, where applicable, local authority) in Scotland;

Local Authority: means a local authority in England or Wales or a local authority in Scotland;

Obligor: each Borrower and each Guarantor;

Obligor's Agent: CHL, appointed to act on behalf of each Obligor pursuant to clause 2.3(b) of the Warehouse Facility Agreement;

Parent: Craegmoor Group Limited (formerly Craegmoor Healthcare Company Limited) a company incorporated in England and Wales (No.2825572)

Relevant Act means:

(a) in the case of a Care Home located in England or Wales, the Mental Health Act 1983, the Childrens Act 1989, the Registered Homes Act 1984 or the Care Standards Act 2000; and

(b) in the case of a Care Home located in Scotland, the Nursing Homes Registration (Scotland) Act 1938 (as amended) or (as applicable) the Social Work (Scotland) Act 1968;

Security Agent: Barclays Bank plc as security agent and trustee for the Banks under the Warehouse Facility Agreement;

Security Assets: all assets of the Company the subject of any security created by the Memorandum;

Share Pledge: means the mortgage of securities dated 16 October 2003 between the Parent and the Security Agent in respect of the entire issued share capital in CHL;

SCHEDULE 1

CRANLEY LIMITED
(Company no: 3517404)

Definitions of the terms used in form 395 and Schedule 1, as used in the Debenture

Substitution Certificate: a certificate in the form of Schedule D of the Warehouse Facility Agreement;

Supplemental Legal Mortgage: a supplemental legal mortgage in the form set out in Schedule 2 of the Debenture;

Warehouse Facility Agreement: the £60,000,000 term loan facility agreement dated the 16 October 2003 between Craegmoor Homes Limited, Craegmoor Group Limited and the Security Agent, together with each Accession Agreement and Substitution Certificate relating thereto and any and each other agreement or instrument supplementing or amending it; and

Warehouse Group: means that group of companies consisting of CHL and Approved Companies purchased from time to time by the Parent as contemplated by clause 3.1(a) of the Warehouse Facility Agreement.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 03517404

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A MEMORANDUM OF DEPOSIT OF SECURITIES DATED THE 17th OCTOBER 2003 AND CREATED BY CRANLEY LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM EACH OBLIGOR TO BARCLAYS BANK PLC 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 6th NOVEMBER 2003.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 10th NOVEMBER 2003.

Handwritten signature



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES