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COMPANIES FORM No. 395

Particulars of a mortgage or charge

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

Pursuant to section 395 of the Companies Act 1985

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

Name of company

* AGECROFT PROPERTIES (NO.2) LIMITED (the "Borrower")

Date of creation of the charge

31 August 2005

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

A Supplemental Borrower Debenture made on 31 August 2005 (the "Supplemental Borrower Debenture") made by the Borrower in favour of Banco Espirito Santo de Investimento, London Branch as trustee for the Secured Parties (the "Trustee").

Amount secured by the mortgage or charge

(For definitions please see Schedule 1 (Definitions)).

All the Senior Finance Liabilities and all present or future, actual or contingent obligations at any time due, owing or incurred by the Borrower (whether entered into solely, jointly or severally, with one or more persons and whether as principal or as surety or otherwise) to any of the Secured Parties under the Finance Documents (including the Supplemental Borrower Debenture and any Mortgage), as amended, supplemented, novated or restated (which shall include, without limitation, any obligations of the Borrower which may from time to time arise by way of subrogation and any liability in respect of any further advances made under the Finance Documents), provided that neither such covenant nor the security constituted by the Supplemental Borrower Debenture or any Mortgage shall extend to or include any liability or sum which would, but for this proviso, cause such covenant or security to be unlawful or prohibited by any applicable law (the "Borrower Secured Obligations").

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

Banco Espirito Santo de Investimento, London Branch, 33 Queen Street, London, as Trustee, which expression shall be construed so as to include any person for the time being appointed as trustee or as an additional trustee for the purpose of, and in accordance with the Security Trust and Intercreditor Deed.

Postcode EC4R 1ES

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

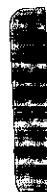
Clifford Chance Limited
10 Upper Bank Street
London
E14 5JJ

Time critical reference

KJF/NXP/B5588/00010/DJQB

For official Use (02/00)
Mortgage Section

Post room



LD2
COMPANIES HOUSE

0403
06/09/05

Short particulars of all the property mortgaged or charged

See Schedule 2 (Short Particulars of all the Property Charged)

Please do not
write in
this margin

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

Particulars as to commission allowance or discount (note 3)

None

Signed Clifford Chance

Date 6/9/2005

On behalf of ~~XXXXXXXXXXXXXXXXXX~~ (chargee) †

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

Notes

† delete as
appropriate

- 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

**Schedules to Form 395 relating to the Supplemental Borrower Debenture entered into by
Agecroft Properties (No.2) Limited (Company No. 4167343) on 31 August 2005**

SCHEDULE 1

Definitions

In this form 395:

"Access Agreement" means the agreement dated 20 January 2000 made between Agecroft Prison Management Limited, Agecroft Properties, Inc. and CCA Prison Realty Trust and subsequently assigned on 10 April 2001 pursuant to the Assignment and Novation Agreement by Agecroft Properties, Inc. to the Borrower.

"Account Bank" means Banco Espirito Santo, S.A., London Branch .

"Agent" means Banco Espirito Santo de Investimento, London Branch.

"APM" means Agecroft Prison Management Limited, a company incorporated with limited liability under the laws of England and Wales (Registered Number 3509050) and having its registered office at Capital House, 25 Chapel Street London NW1 5DH.

"ANTS" means Abbey National Treasury Services plc.

"Arranger" means Banco Espirito Santo de Investimento, London Branch.

"Assignment and Novation Agreement" means the Assignment and Novation Agreement dated 10 April 2001 between H.M. Principal Secretary of State for the Home Department, Agecroft Prison Management Limited, Agecroft Properties, Inc., Agecroft Properties (No. 2) Limited, ANTS and Corrections Corporation of America.

"Borrower Accounts" means the Debt Service Reserve Account, the Proceeds Account and the Distribution Account and any other account opened or maintained by the Borrower with the Trustee or any other person (and any replacement account or subdivision or subaccount of that account), the debt or debts represented thereby and all Related Rights.

"Borrower Assigned Accounts" means the Borrower Accounts and any other account that may from time to time be identified in writing as a Borrower Assigned Account by the Trustee.

"Borrower Assigned Contracts" means all the Project Documents and Finance Documents to which the Borrower is a party.

"Borrower Charged Property" means all the assets and undertaking of the Borrower which from time to time are the subject of the security created or expressed to be created in favour of the Trustee by or pursuant to the Supplemental Borrower Debenture and any Mortgage.

"Borrower Debenture" means the debenture dated 10 April 2001 granted by the Borrower in favour of ANTS and assigned and novated in accordance with its terms to the Trustee on 31 August 2005.

"Borrower Debenture Deed of Assignment and Novation" means the borrower deed of assignment and novation entered into on 31 August 2005 between ANTS and the Trustee in respect of the Borrower Debenture.

"Borrower Monetary Claims" means any book and other debts and monetary claims owing to the Borrower and any proceeds of such debts and claims (including any claims or sums of money deriving from or in relation to any Intellectual Property, any Investment, the proceeds of any Insurance Policy, any court order or judgment, any contract or agreement to which the Borrower is a party and any other assets, property, rights or undertaking of the Borrower).

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

"Construction Contract" means the Construction Contract dated 6 July 1998 between Agecroft Properties, Inc and Tilbury Douglas Construction Limited.

"Construction Direct Agreement" means the Construction Direct Agreement dated 6 July 1998 between APM, Tilbury Douglas Construction Limited, Agecroft Properties, Inc and Tilbury Douglas plc.

"DCMF Contract" means the Conditions of Contract for the Design, Construction, Management and Financing of a Custodial Service at Agecroft, Salford dated 6 July 1998 made between HMPS and APM.

"Deed of Priorities" means the Deed of Priorities dated 10 April 2001 between the Borrower, APM, UK Detention Services Limited, Corrections Corporation of America (UK) Limited and Sodexo Alliance S.A.

"Debt Service Reserve Account" means the Account designated as the Debt Service Reserve Account in the name of the Borrower opened with the Account Bank.

"Delegate" means any delegate, agent, attorney or co-trustee appointed by the Trustee.

"Development Agreement" means the Development Agreement dated 6 July 1998 between APM and Agecroft Properties, Inc.

"Direct Agreement" means the direct agreement dated 6 July 1998 between HMPS, Agecroft Properties, Inc., APM, Corrections Corporation of America and CCA Prison Realty Trust and subsequently novated on 10 April 2001 pursuant to the Assignment and Novation Agreement by Agecroft Properties, Inc. to the Borrower and to be further novated on or about the date of the Term Facility Agreement from ANTS to the Guarantor pursuant to a deed of novation.

"Distribution Account" means the Account designated as the Distribution Account in the name of the Borrower opened with the Account Bank.

"Fee Letter" means any letter or letters dated on or about the date of the Term Facility Agreement between (amongst others) the Arranger, the Agent, the Trustee or the Account

Bank and the Borrower setting out any of the fees referred to in Clause 10 (*Fees*) of the Term Facility Agreement.

"Finance Documents" means the Senior Finance Documents and the Junior Finance Documents.

"Finance Party" means the Agent, the Arranger, the Hedging Counterparty, the Trustee, the Account Bank or a Lender and **" Finance Parties"** means all of the foregoing.

"Guarantor" means API Holdco Limited, a company incorporated in England and Wales under registered number: 5257934 and whose principal place of business is at Aylesbury House, 17-18 Aylesbury Street, London EC1R 0PD.

"Guarantor Account" means the Account designated as the Guarantor Account in the name of the Guarantor opened with the Account Bank.

"Guarantor Debenture" means the debenture granted by the Guarantor on 31 August 2005 in favour of the Trustee in form and substance acceptable to the Trustee and the Agent.

"Hedging Agreement" means the ISDA Master Agreement and the Hedging Confirmation.

"Hedging Confirmation" means a swap confirmation dated on or about the date of the Term Facility Agreement between the Borrower and the Hedging Counterparty.

"Hedging Counterparty" means Espirito Santo Investment, p.l.c.

"Hedging Liabilities" means all present and future sums, liabilities and obligations whatsoever (actual or contingent) payable, owing, due or incurred by the Borrower to the Hedging Counterparty under or in respect of the Hedging Agreement.

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

"Insurance Policy" means any policy of insurance in which the Borrower may from time to time have an interest.

"Intellectual Property" means any patents, trade marks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests, whether registered or unregistered, the benefit of all applications and rights to use such assets and all Related Rights.

"Intercompany Loan Agreement" means the loan dated 31 August 2005 between the Guarantor and the Parent.

"Investment Management Agreement" means the investment management agreement (if any) made from time to time between the Borrower, the Investment Manager and the Trustee.

"Investment Manager" means any person who enters into an Investment Management Agreement and accedes to the Security Trust and Intercreditor Deed as Investment Manager.

"Investments" means:

- (a) any stocks, shares, debentures, securities and certificates of deposit,
- (b) all interests in collective investment schemes, and
- (c) all warrants, options and other rights to subscribe or acquire any of the investments described in (a) and (b)

in each case whether held directly by or to the order of the Borrower or by any Lender, nominee, fiduciary or clearance system on its behalf and all Related Rights (including all rights against any such Lender, nominee, fiduciary or clearance system).

"ISDA Master Agreement" means a multi-currency cross-border 1992 ISDA master agreement and the schedule thereto between the Borrower and the Hedging Counterparty dated on or about the date of the Term Facility Agreement.

"Junior Creditors" means the Parent in respect of the Intercompany Loan Agreement, the Guarantor in respect of the Subordinated Loan Agreement, the Guarantor in respect of the Term Facility Agreement and any additional junior creditor who has become a party to the Security Trust and Intercreditor Deed pursuant to clause 26 (*Assignments and Transfers*) of the Security Trust and Intercreditor Deed and **"Junior Creditor"** means any of them.

"Junior Finance Documents" means the Intercompany Loan Agreement, the Subordinated Loan Agreement, any fee letter relating thereto and any other document designated as such by the Agent and an Obligor.

"Lease" means the lease dated 6 July 1998 from HMPS to APM and UK Detention Services Limited.

"Lender" means:

- (a) any Original Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a party to the Term Facility Agreement in accordance with Clause 23 (*Changes to the Lenders*) of the Term Facility Agreement,

which in each case has not ceased to be a party in accordance with the terms of the Term Facility Agreement and together, the **"Lenders"**.

"Loan Liabilities" means all present and future sums, liabilities and obligations whatsoever (actual or contingent) payable, owing, due or incurred by the Borrower, the Parent or the Guarantor to any Finance Parties (including the Trustee for its own account) under and in respect of the Term Facility Agreement.

"Mortgage" means a mortgage or legal charge in respect of all or any part of the Real Property in accordance with Clause 7 (*Further Assurance*) substantially in the form of Schedule 7 (*Form of Legal Mortgage*) of the Supplemental Borrower Debenture.

"Obligors" means the Borrower and the Guarantor and **"Obligor"** means any of them.

"Operation and Maintenance Contract" means the Operation and Maintenance Contract dated 6 July 1998 between Agecroft Prison Management Limited and UK Detention Services Limited, as amended on 11 September 1998.

"Original Lender" means Banco Espirito Santo, S.A., London Branch.

"Parent" means Secondary Market Infrastructure Fund UK LP, constituted as a limited partnership in England and Wales acting by its General Partner Secondary Market Infrastructure Fund UK Limited and whose principal place of business is at Aylesbury House, 17-18 Aylesbury Street, London, EC1R 0PD and any other fund where the Secondary Market Infrastructure Fund UK LP is acting as limited partner.

"Proceeds Account" means the Account designated as the Proceeds Account in the name of the Borrower opened with the Account Bank.

"Project Documents" means the Access Agreement, the DCMF Contract, the Operation and Maintenance Contract, the Step in and Collateral Agreement, the Lease, the Sub-Lease, the Development Agreement, the Construction Contract, the Construction Direct Agreement, the Deed of Priorities and the Assignment and Novation Agreement.

"Real Property" means:

- (a) any freehold, leasehold or immovable property; and
- (b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of such freehold or leasehold property;

and includes all Related Rights.

"Receiver" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

"Related Rights" means, in relation to any asset,

- (a) the proceeds of sale of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of that asset; and
- (d) any monies and proceeds paid or payable in respect of that asset.

"Secured Parties" means the Trustee, the Hedging Counterparty, any Receiver or Delegate, the Agent, each Lender, the Account Bank and each Junior Creditor and, in each case, their respective successors and permitted assigns and transferees from time to time, and **"Secured Party"** means any one of them.

"Security" means the security from time to time constituted (or purported to be constituted) by or pursuant to the Supplemental Borrower Debenture.

"Security Documents" means each of the Guarantor Debenture, the Borrower Debenture, the Borrower Debenture Deed of Assignment and Novation, the Supplemental Borrower Debenture, the Direct Agreement and the Security Trust and Intercreditor Deed together with any other document entered into by any Obligor creating or expressed to create any mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect over all or any part of its assets in respect of the obligations of any of the Obligors under any of the Finance Documents and any deed of accession entered into in respect of the foregoing.

"Security Trust and Intercreditor Deed" means the security trust and intercreditor deed dated 31 August 2005 between the Obligors, the Lender, the Agent, the Trustee, the Account Bank, the Parent and the Hedging Counterparty.

"Senior Finance Documents" means the Term Facility Agreement, the Hedging Agreement, the Security Documents, the Investment Management Agreement (if any) any Fee Letter and any other document designated as such by the Agent and an Obligor.

"Senior Finance Liabilities" means the Loan Liabilities and the Hedging Liabilities and all other present and future sums, liabilities, indebtedness and obligations whatsoever (actual or contingent) payable, owing, due or incurred by the Borrower, the Guarantor or the Parent to the Finance Parties under the Finance Documents.

"Step in and Collateral Agreement" means the Step in and Collateral Agreement dated 6 July 1998 between Corrections Corporation of America, APM, HMPS and UK Detention Services Limited.

"Sub-lease" means the sub-lease dated 6 July 1988 from Agecroft Prison Management Limited to Agecroft Properties, Inc. and subsequently assigned on 10 April 2001 from Agecroft Properties, Inc. to the Borrower pursuant to the Assignment and Novation Agreement.

"Subordinated Loan Agreement" means the subordinated loan agreement dated on or about 10 April 2001 between the Borrower and ANTS (as amended and restated by the Borrower and ANTS) to be transferred on or about the date of the Term Facility Agreement from ANTS to the Guarantor pursuant to a deed of novation, as amended and restated on or about the date of the Term Facility Agreement and which is subject to the terms of the Security Trust and Intercreditor Deed.

"Tangible Moveable Property" means any plant, machinery, office equipment, vehicles and all other chattels at any time belonging to the Borrower and all Related Rights.

"Term Facility Agreement" means the amended and restated secured facility agreement dated 31 August 2005 made between, amongst others, the Borrower and the Original Lender.

"Transaction Security" means any mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect created or expressed to be created in favour of the Trustee pursuant to the Security Documents.

SCHEDULE 2

SHORT PARTICULARS OF ALL THE PROPERTY CHARGED

1. FIXED CHARGES, ASSIGNMENTS AND FLOATING CHARGE

In the Supplemental Borrower Debenture the Borrower:

- 1.1 charged with full title guarantee in favour of the Trustee as trustee for the Secured Parties as security for the payment and discharge of the Borrower Secured Obligations, by way of first fixed charge (which so far as it relates to land in England and Wales vested in the Borrower at the date of the Supplemental Borrower Debenture shall be a charge by way of legal mortgage) all the Borrower's right, title and interest from time to time in and to each of the following assets (subject to obtaining any necessary consent to such mortgage or fixed charge from any third party), namely:
 - 1.1.1 all the Real Property;
 - 1.1.2 all the Tangible Moveable Property other than any assigned pursuant to the Supplemental Borrower Debenture as set out in paragraph 1.2.1 below;
 - 1.1.3 all goodwill (including all brand names not otherwise subject to a fixed charge or assignment by or pursuant to the Supplemental Borrower Debenture) at any time belonging to the Borrower;
 - 1.1.4 all monies standing to the credit of the Borrower Accounts (except to the extent assigned pursuant to the Supplemental Borrower Debenture as set out in paragraph 1.2.3 below);
 - 1.1.5 any Intellectual Property;
 - 1.1.6 any Investments; and
 - 1.1.7 all Borrower Monetary Claims (other than any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) by way of security pursuant to the Supplemental Borrower Debenture) and all Related Rights.
- 1.2 assigned and agreed to assign absolutely with full title guarantee to the Trustee as trustee for the Secured Parties as security for the payment and discharge of the Borrower Secured Obligations all the Borrower's right, title and interest from time to time in and to each of the following assets (subject to obtaining any necessary consent to such assignment from any third party):
 - 1.2.1 all rights and claims in relation to the Tangible Moveable Property (including those against any manufacturer, supplier or installer of such property, any contractor or professional adviser engaged in relation to any such property, and to the extent that any of the Tangible Moveable Property is at any time hired, leased or rented to any other person, the rights under the hiring, leasing or rental contract and any guarantee, indemnity or security for the performance of the obligations of such person);

1.2.2

- (a) the benefit of (severally) any agreements, contracts, deeds, undertakings, guarantees, warranties or other documents now or hereafter entered into by or given to the Borrower in respect of the Borrower Charged Property and all documents now or hereafter in existence necessary to enable the Trustee to perfect the same and all the proceeds of any payment of any claims, awards or judgments paid or payable to the Borrower under or in respect of the same (including but without limitation all liquidated and ascertained damages payable to the Borrower thereunder) and all the Borrower's rights or remedies arising at any time thereunder;
- (b) the benefit of all tenant covenants, all landlord covenants and all covenants, agreements, undertakings or obligations entered into or to be entered into by any other party to any leases or to any licences, deeds, rent deposit agreements, or other deeds or documents supplemental or collateral to any lease and of all guarantees or indemnities in any of the aforesaid;
- (c) all chattels at any time hired, leased or rented by the Borrower to any other person together in each case with the benefit of the related hiring, leasing or rental contract and any guarantee, indemnity or other security for the performance of the obligations of any person under or in respect of such contract; and
- (d) all present and future licences held in connection with the business carried on upon the Borrower Charged Property or any part thereof;

1.2.3 all rights and claims to the Borrower Assigned Accounts;

1.2.4 all present and future book and other debts and Borrower Monetary Claims at any time due or owing to the Borrower which are not otherwise subject to a fixed charge or assigned (whether at law or in equity) by way of security to the Trustee by or pursuant to the Supplemental Borrower Debenture and all rights relating thereto including any security, guarantees, indemnities or remedies therefor;

1.2.5 all rights, title and interest of the Borrower under or in respect of the Borrower Assigned Contracts and in respect of all ancillary documentation entered into or to be entered into pursuant to the Borrower Assigned Contracts;

1.2.6 the proceeds of any Insurance Policy and all Related Rights; and

1.2.7 all rights to which the Borrower is now or may hereafter become entitled in respect of the proceeds of any order of the court made pursuant to sections 238(3), 239(3) or 244 of the Insolvency Act 1986.

- 1.3 charged with full title guarantee in favour of the Trustee as trustee for the Secured Parties as security for the payment and discharge of the Borrower Secured Obligations by way of first floating charge all present and future assets and undertaking of the Borrower which such charge shall be deferred in point of priority to all fixed Security validly and effectively created by the Borrower under the Finance Documents in favour of the Trustee as trustee for the Secured Parties as security for the Borrower Secured Obligations. Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created pursuant to the Supplemental Borrower Debenture.

2. **FURTHER ASSURANCE**

The Supplemental Borrower Debenture contains covenants for further assurance.

3. **NEGATIVE PLEDGE**

The Supplemental Borrower Debenture contains a negative pledge.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 04167343

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SUPPLEMENTAL BORROWER DEBENTURE DATED THE 31st AUGUST 2005 AND CREATED BY AGECROFT PROPERTIES (NO.2) LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO ANY OF THE SECURED PARTIES ON ANY ACCOUNT WHATSOEVER 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 SEPTEMBER 2005.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 9th SEPTEMBER 2005.

Llc Dm



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —