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Declaration by the directors of a holding company in relation to assistance for the acquisition of shares

155(6)b

CHFP025

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write in this
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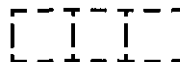
Pursuant to section 155(6) of the Companies Act 1985

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

To the Registrar of Companies
(Address overleaf - Note 5)

For official use

Company number



00300534

Name of company

Note
Please read the notes
on page 3 before
completing this form

* WARD HOLDINGS LIMITED (this "Company")

* insert full name
of company

X We ~~are~~ Please see Rider 1

~~insert name(s) and
address(es) of all
the directors~~

† delete as
appropriate

~~the sole director~~ [all the directors]† of the above company (hereinafter called 'this company') do
solemnly and sincerely declare that:

§ delete whichever
is inappropriate

The business of this company is:

- (a) ~~that of a recognised bank, licensed institution within the meaning of the Banking Act 1979~~
(b) ~~that of a person authorised under section 3 of the Insurance Companies Act 1982 to carry on~~
~~insurance business in the United Kingdom~~
(c) something other than the above§

This company is [the] [a] holding company of* Castle Village Limited
(Company Number 3461625) (the "Subsidiary") _____ which is
proposing to give financial assistance in connection with the acquisition of shares
in ~~this company~~ Ward Homes Group Limited (Company Number 3932770)
(the "Target Company") _____ the holding company of this company.†

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

CMS Cameron McKenna
Mitre House
160 Aldersgate Street
London
EC1A 4DD
135316 BARBICAN 2
Ref:AMN/102454.18/20313400

For official Use
General Section

Post room



A48
COMPANIES HOUSE

0622
20/07/02

~~XXX~~ Please do not
write in this
margin

The number and class of the shares acquired or to be acquired is: 1,033,575 ordinary A shares of £0.01 each and 366,425 ordinary B shares of £0.01 each in the capital of the Target Company

The assistance is to be given to: (note 2) Kealoha II Limited (Company No 4421641) whose
registered office is at 2 Ash Tree Lane, Chatham, Kent ME5 7BZ

Please see Rider 2

† delete as appropriate

Please see Rider 3

The amount of cash to be transferred to the person assisted is £ Nil

Page 2

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write in this
margin

The date on which the assistance is to be given is within 8 weeks of the date hereof

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

☒ We have formed the opinion, as regards this company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts. (note 3)

(a) ☒ We have formed the opinion that this company will be able to pay its debts as they fall due during the year immediately following that date]* (note 3)

* delete either (a) or
(b) as appropriate

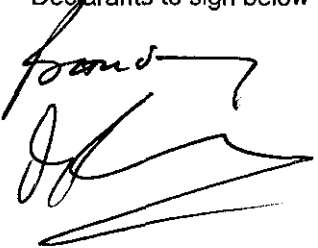
(b) ~~It is intended to commence the winding-up of this company within 12 months of that date and we have formed the opinion that this company will be able to pay its debts in full within 12 months of the commencement of the winding-up]~~* (note 3)

And ☒ we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at

CMS Cameron McKenna
Mitre House
160 Aldersgate Street
London EC1A 4DD

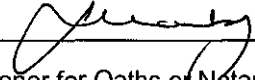
Declarants to sign below



Day Month Year
on

1	2	0	7	2	0	0	2
---	---	---	---	---	---	---	---

J. newGRAY
LAWYER

before me 

A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths.

NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given; if a recipient is a company the registered office address should be shown.
- 3 Contingent and prospective liabilities of the company are to be taken into account - see section 156(3) of the Companies Act 1985.
- 4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form.
- 5 The address for companies registered in England and Wales or Wales is:-

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ

or, for companies registered in Scotland:-

The Registrar of Companies
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB

RIDER 1 to Form 155(6)b

WARD HOLDINGS LIMITED (this "Company")

Company No. 300534

1. Peter David Holliday
Dundry
Water End Road
Potten End
Berkhamsted
Hertfordshire HP4 2SG

2. Michael Richard Lethaby
Shepherds Cottage
Heaverham Road
Kemsing
Sevenoaks
Kent TN15 6NG

WARD HOLDINGS LIMITED

Company No: 00300534

DECLARATION IN RELATION TO ASSISTANCE FOR
THE ACQUISITION OF SHARES

Unless otherwise provided terms and expressions referred to below in Rider 2 and Rider 3 are to have the same meanings given to them respectively in each of:

- (a) a senior facilities agreement to be made between Kealoha II Limited ("**Parent**") and others as Borrowers, The Royal Bank of Scotland plc ("**RBS**") as Agent for the Lenders (as defined therein), Arranger, Issuing Lender and Ancillaries Lender, and the Lenders listed therein (the "**Senior Facilities Agreement**");
- (b) a mezzanine facility agreement to be made between Parent and others as Borrowers, RBS as Arranger, RBS Mezzanine Limited ("**RBSM**") as Agent for the Lenders (as defined therein) and the Lenders listed therein (the "**Mezzanine Facilities Agreement**");
- (c) a composite guarantee and debenture to be made between Parent and others (including this Company and the Subsidiary) and RBS as Security Trustee for the persons described therein (the "**Guarantee and Debenture**"); and
- (d) an intra-group funding agreement to be entered into by this Company, the Subsidiary and others as lenders (1) and Parent as borrower (2) (the "**Intra-Group Funding Agreement**").

The assistance will take the form of the execution, delivery and performance by the Subsidiary of:

1. The Guarantee and Debenture which comprises a legal mortgage over all the freehold and leasehold property of the Subsidiary and the other Charging Companies and fixed and floating charges over all the Subsidiary's and the other Charging Companies' assets, goodwill and undertakings and an unlimited guarantee to RBS (as security trustee for the Secured Parties) for the payment and discharge by the Subsidiary of all the obligations of Parent and any other Charging Company (including the Subsidiary) to the Secured Parties.
2. An Intra-Group Funding Agreement whereby the Subsidiary agrees to grant a facility to Parent for the purpose, inter alia, of repaying amounts due under the Financing Documents (as defined in the Senior Facilities Agreement) upon the terms detailed therein. The Parent agrees to provide a letter of support to the Subsidiary and others in the agreed form, pursuant to which it will agree to lend money to the Subsidiary and others in the event of a working capital shortfall of the Subsidiary and others.

RIDER 3 to Form 155(6)b

WARD HOLDINGS LIMITED

Company Number: 00300534

The principal terms on which the assistance will be given are:

1. By entering into the Guarantee and Debenture, the Subsidiary agrees to guarantee and create security over its assets for all obligations under the Financing Documents.
2. By entering into the Guarantee and Debenture, the Subsidiary, inter alia:
 - (a) covenants as principal debtor and not merely as surety, with the Security Trustee for itself and on behalf of the Secured Parties that it will pay or discharge the Secured Liabilities on the due date thereof in the manner provided in the relevant Financing Document;
 - (b) irrevocably and unconditionally:
 - (i) guarantees to the Security Trustee and the Secured Parties the due and punctual payment, observance and performance of the Secured Liabilities owing by each other Obligor when and as the same shall become due;
 - (ii) as principal debtor undertakes to the Security Trustee on its own account and on behalf of the Secured Parties that if and each time that another Obligor shall be in default in the payment or performance of any of the Secured Liabilities, it will on demand from the Security Trustee make good the default and pay all sums which may be payable in respect thereof as if it, instead of such Obligor, were the principal debtor in respect thereof, together with interest thereon at the rate per annum from time to time payable by such Obligor on such sums from the date when such sums become payable by the Subsidiary under the Guarantee and Debenture until payment of the Secured Liabilities in full; and
 - (iii) agrees as a primary obligation to indemnify the Security Trustee and each Secured Party on demand by the Security Trustee from and against any loss incurred by the Security Trustee and each Secured Party or any of them in connection with the non-payment or non-performance of any of the Secured Liabilities owing by any other Obligor or as a result of any of the Secured Liabilities or any of the Financing Documents being or becoming void, voidable, unenforceable or ineffective as against any other Obligor for any reason whatsoever, whether or not known to the Security Trustee or the Secured Parties or any of them or any other person, the

amount of such loss being the amount which the person or persons suffering it would otherwise have been entitled to recover from such Obligor.

- (c) charges with full title guarantee, inter alia, as continuing and further security for the discharge and payment of the Secured Liabilities (including, without limitation, the increased amount thereof) by way of legal mortgage, fixed charge, floating charge and assignment all of the property, assets, undertaking and rights whatsoever and wheresoever both present and future of the Subsidiary.
3. By entering into the Intra Group Funding Agreement the Subsidiary undertakes to provide the Parent with a loan facility up to the Facilities Limit (as defined therein) for the purpose, inter alia, of repaying amounts due under the Financing Documents (as defined in the Senior Facilities Agreement) upon the terms detailed therein. It is a condition of the Intra-Group Funding Agreement that the Parent provides a letter of support to this Company and others in the agreed form, pursuant to which it will agree to lend money to the Subsidiary and others in the event of a working capital shortfall of the Subsidiary and others.

AUDITORS' REPORT TO THE DIRECTORS OF WARD HOLDINGS LIMITED ("the Company") PURSUANT TO SECTION 156(4) OF THE COMPANIES ACT 1985

We have examined the attached statutory declaration of the directors of the Company dated 12 July 2002 in connection with the proposal that Castle Village Limited should give financial assistance for the purchase of the entire issued share capital of the Ward Homes Group Limited, the parent company of the Company.

Basis of opinion

We have enquired into the state of the Company's affairs in order to review the bases for the statutory declaration.

Opinion

We are not aware of anything to indicate that the opinion expressed by the directors in their declaration as to any of the matters mentioned in section 156(2) of the Companies Act 1985 as amended is unreasonable in all the circumstances.

Deloitte & Touche

Registered Auditors
Date 12 July 2002

Hill House
1 Little New Street
London
EC4A 3TR