

THE COMPANIES ACT 1985

WRITTEN RESOLUTION

OF

HIGHFIELD CARE HOMES NO.3 LIMITED

(Passed on 8 April 2004)



We, the undersigned, being the sole member of the Company who (at the date of this resolution) would have been entitled to vote upon the resolution set out below if it had been proposed at a general meeting at which we were present, hereby agree, pursuant to regulation 53 of Table A (adopted by article 1(a) of the Company's Articles of Association) to the following written resolution (which would otherwise be required to be passed as a special resolution):

RESOLUTION

THAT:

(a) the provision by the Company of financial assistance (as defined in section 152 Companies Act 1985) in relation to the acquisition by Southern Cross Bidco Limited of shares in the capital of the Company by the Company giving guarantees and security in respect of £139,000,000 of loan facilities and entering into subordination and upstream loan arrangements (the "**Assistance Documents**") all as more fully described in the directors' statutory declaration of solvency in Form 155(6)(a), a copy of which is attached to this resolution be approved;

(b) approval for the Company to enter into the Assistance Documents be given notwithstanding that the Company might be held to be giving financial assistance for the purposes of sections 151 and 152 of the Companies Act 1985; and

(c) the Articles of Association of the Company be amended by:

(a) the deletion of articles 2(b), 3(Lien) and 4(Transfer of Shares); and

(b) the addition of the following new article 4 (Transfer of Shares):

"Notwithstanding anything contained in these Articles, the Company and the directors shall not decline to register any transfer of shares, nor may they suspend such registration, where such transfer:

(a) is to any Secured Party; or

(b) it is delivered to the Company for registration by a Secured Party in order to perfect its security over the shares; or

(c) it is executed by a Security Party pursuant to the power of sale or otherwise under such security,

and furthermore notwithstanding anything to the contrary contained in these Articles no transferor of any shares in the Company or proposed transferor of such shares to a Secured Party and no Secured Party shall be required to offer the shares which are or are to be the subject of any such aforementioned transfer to the shareholders for the time being of the Company or any of them, and no such shareholder shall have any right under the Articles or otherwise howsoever to require such shares to be transferred to them whether for consideration or not.

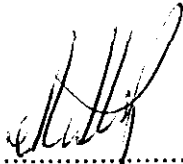
Furthermore, notwithstanding anything contained in these Articles, the Company and the directors shall not be entitled to exercise any lien which the Company has in respect of its shares. For the purposes of this Article, "Secured Party" means any bank or financial institution (including, without limitation, Barclays Bank plc) to which a security interest has been granted over the shares in the Company, or any nominee, receiver or other entity acting on its behalf."; and

(d) the Memorandum of Association of the Company be amended by:

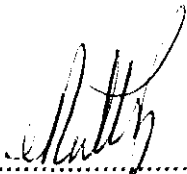
(a) the deletion of clauses 3(i) and 3(ii); and

(b) the addition of the following new clause 3(i):

"The powers specified in each sub-paragraph of clause 3 shall, except where otherwise provided in that paragraph, be regarded as independent objects, and are not limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company. None of the paragraphs of clause 3 or the objects or powers specified or conferred in or by them is deemed subsidiary or ancillary to the objects or powers mentioned in any other paragraph. The Company has power to exercise all or any of the objects and powers provided in each paragraph as if each paragraph contained the objects of a separate company."



.....
for and on behalf of
Highfield Care Homes No.3 Limited



.....
for and on behalf of
Highfield Holdings Limited

THE COMPANIES ACT 1985
PRIVATE COMPANY LIMITED BY SHARES
HIGHFIELD CARE HOMES NO.3 LIMITED

The following written resolution was passed by the Company on 8 April 2005 as a special resolution.

SPECIAL RESOLUTION

We, the undersigned, being the sole member of the Company who (at the date of this resolution) would have been entitled to vote upon the resolution set out below if it had been proposed at a general meeting at which we were present, hereby agree, pursuant to regulation 53 of Table A (adopted by article 1(a) of the Company's Articles of Association) to the following written resolution (which would otherwise be required to be passed as a special resolution):

RESOLUTION

THAT:

- (a) the provision by the Company of financial assistance (as defined in section 152 Companies Act 1985) in relation to the acquisition by Southern Cross Bidco Limited of shares in the capital of the Company by the Company giving guarantees and security in respect of £139,000,000 of loan facilities and entering into subordination and upstream loan arrangements (the "**Assistance Documents**") all as more fully described in the directors' statutory declaration of solvency in Form 155(6)(a), a copy of which is attached to this resolution be approved;
- (b) approval for the Company to enter into the Assistance Documents be given notwithstanding that the Company might be held to be giving financial assistance for the purposes of sections 151 and 152 of the Companies Act 1985; and
- (c) the Articles of Association of the Company be amended by:
 - (a) the deletion of articles 2(b), 3(Lien) and 4(Transfer of Shares); and
 - (b) the addition of the following new article 4 (Transfer of Shares):

"Notwithstanding anything contained in these Articles, the Company and the directors shall not decline to register any transfer of shares, nor may they suspend such registration, where such transfer:

- (a) is to any Secured Party; or
- (b) it is delivered to the Company for registration by a Secured Party in order to perfect its security over the shares; or
- (c) it is executed by a Security Party pursuant to the power of sale or otherwise under such security,

and furthermore notwithstanding anything to the contrary contained in these Articles no transferor of any shares in the Company or proposed transferor of such shares to a Secured Party and no Secured Party shall be required to offer the shares which are or are to be the subject of any such aforementioned transfer to the shareholders for the time being of the Company or any of them, and no such shareholder shall have any right under the Articles or otherwise howsoever to require such shares to be transferred to them whether for consideration or not.

Furthermore, notwithstanding anything contained in these Articles, the Company and the directors shall not be entitled to exercise any lien which the Company has in respect of its shares. For the purposes of this Article, "Secured Party" means any bank or financial institution (including, without limitation, Barclays Bank plc) to which a security interest has been granted over the shares in the Company, or any nominee, receiver or other entity acting on its behalf."; and

(d) the Memorandum of Association of the Company be amended by:

(a) the deletion of clauses 3(i) and 3(ii); and

(b) the addition of the following new clause 3(i):

"The powers specified in each sub-paragraph of clause 3 shall, except where otherwise provided in that paragraph, be regarded as independent objects, and are not limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company. None of the paragraphs of clause 3 or the objects or powers specified or conferred in or by them is deemed subsidiary or ancillary to the objects or powers mentioned in any other paragraph. The Company has power to exercise all or any of the objects and powers provided in each paragraph as if each paragraph contained the objects of a separate company."



Chairman

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