

COMPANIES FORM No. 395**Particulars of a mortgage or charge****395**

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

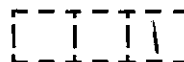
Pursuant to section 395 of the Companies Act 1985

096866/70

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

For official use

Company number



5210945

Name of company

* Sunrise Operations Westbourne Limited (the "Chargor") of Shire House, West Common, Gerrards Cross, Buckinghamshire SL9 7QN

Date of creation of the charge

29 September 2004

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

Debenture (the "Debenture")

Amount secured by the mortgage or charge

All monies, liabilities, debts and obligations whatsoever of the Borrower and the Chargor which at the date of the Debenture are or at any time thereafter may (whether before or after demand) become due, owing or payable, in any currency, to the Arranger, the Agent, the Security Trustee and the Lenders, actually or contingently and whether owed jointly or severally or as principal or surety or in any other capacity whatsoever, under or in respect of the Facility Agreement and the other Finance Documents to which they are or are to be a party (the "Secured Liabilities").

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

Fortis Bank S.A./N.V. (the "Security Trustee") of Camomile Court, 23 Camomile Street, London

Postcode EC3A 7PP

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

Wedlake Bell
52 Bedford Row
London
WC1R 4LR

HSP/70651/WB5-368764

Time critical reference

For official Use
Mortgage Section

Post room



A03
COMPANIES HOUSE

0326
06/10/04

Short particulars of all the property mortgaged or charged

See attached continuation sheet

Please do not
write in
this margin

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

0.
95

Particulars as to commission allowance or discount (note 3)

Nil

Signed Wedlake Bell

Date 5th October 2004

On behalf of [~~company~~] [~~mortgagee~~/chargee]†

A fee of £10 is
payable to
Companies House
in respect of each
register entry for a
mortgage or
charge.
(See Note 5)

† 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 CF14 3UZ

Sunrise Operations Westbourne Limited

Continuation Sheet

Short particulars of all the property mortgaged or charged

Under Clause 3 of the Debenture the Chargor with full title guarantee and as a continuing security for the payment and discharge when due of the Secured Liabilities, mortgages and charges in favour of the Security Trustee for itself and for and on behalf of the Arranger, the Agent and the Lenders:-

1.

By way of first equitable mortgage its estate or interest in any freehold or leasehold property acquired by the Chargor after the date of the Debenture.

2.

By way of first fixed charge:-

- 2.1 all its right, title and interest in, to and under the Principal Lease;
- 2.2 all present and future uncalled capital and goodwill of the Chargor;
- 2.3 all existing and future fittings, plant, equipment, machinery, tools, vehicles, furniture and other tangible movable property owned by the Chargor;
- 2.4 any Investment of the Chargor;
- 2.5 all Intellectual Property Rights;
- 2.6 all existing and future cash at bank;
- 2.7 all of its right, title and interest in and to and any money at the date of the Debenture or at any time after the date of the Debenture standing to the credit of any bank accounts held by the Chargor and the debts represented thereby and the benefit of all covenants relating thereto;
- 2.8 its interest in the Debts; and
- 2.9 to the extent that they are not subject to an effective assignment under paragraph 3.5, all its rights under:-
 - 2.9.1 Approved Residential Agreements (including the right to receive Rent thereunder);
 - 2.9.2 the Operational Management Agreement;
 - 2.9.3 the Principal Lease; and

- 2.9.4 the Intercompany Domiciliary Care Agreement;
- 2.10 (to the extent that they are not the subject of an effective mortgage under paragraph 1 above) all estates or interests in any freehold or leasehold property belonging to it after the date of the Debenture; and
- 2.11 all deeds, documents, contracts and agreements from time to time entered into by the Chargor relating to the Charged Property, the benefit of any covenants for title given or entered into by any predecessor in title to the Chargor to the Charged Property, all proceeds of a capital nature in relation to the disposal of the Charged Property, the benefit of any other disposal of the Charged Property, any rights against lessees or other occupiers and/or their sureties and all future options to renew all leases or purchase all reversions (whether or not freehold) from time to time in relation to the Charged Property.

3.

By way of assignment by way of first-ranking security:-

- 3.1 all and any rights (whether in contract, tort or otherwise) which the Chargor has at the date of the Debenture or may after the date of the Debenture have against any third party (including without prejudice to the generality of the foregoing any professional advisers) arising from any building, construction, alteration, refurbishment or other works to the Charged Property or any part thereof or any defect therein;
- 3.2 the benefit of all guarantees, sureties and other covenants and liabilities on the part of third parties in favour of the Chargor and the Chargor's predecessors in title so far as it has title to assign the same (and each of them) under any lease or tenancy of the Charged Property and any part or parts thereof granted as well before as after the date of the Debenture and all rights arising thereunder;
- 3.3 all and any rights and interests in and benefit and claims under all policies of insurance (save insofar as the same relate to any third party liability insurance the proceeds of which the Chargor is obliged by the terms of such insurance to pay to a third party) and assurance (including return of premiums) relating to the Charged Property and otherwise at the date of the Debenture or thereafter held by or enuring to the benefit of the Chargor;
- 3.4 the benefit of all other contracts, agreements, rights, securities, covenants, guarantees, bonds and indemnities of any nature at the date of the Debenture and at any time enjoyed or held by the Chargor; and
- 3.5 all its rights under:-
 - 3.5.1 Approved Residential Agreements (including the right to receive Rent thereunder);
 - 3.5.2 the Operational Management Agreement;
 - 3.5.3 the Principal Lease; and

3.5.4 the Intercompany Domiciliary Care Agreement;

4.

By way of first floating charge, all its undertaking and all its other properties, assets and rights whatsoever (and wheresoever situate) at the date of the Debenture and at any time belonging to the Chargor, together with all properties, assets and rights of the Chargor including those specifically charged to the Security Trustee by the preceding paragraphs if and to the extent that specific charges shall fail as specific charges or which otherwise are not effectively charged by way of legal mortgage or fixed charge or assignment pursuant to the preceding paragraphs.

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created pursuant to Clause 3.4 of the Debenture.

Clause 3.4 of the Debenture provides that the Security Trustee may, by notice to the Chargor, convert the floating charge created by the Debenture into a fixed charge as regards all or any of the Chargor's assets specified in such notice if:-

1. subject to the provisions of paragraph 43 of Schedule A1 to the Insolvency Act 1986, an Event of Default occurs and is continuing and notice has been given under Clause 20.21 of the Facility Agreement; or
2. the Security Trustee considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.

Negative Pledge

Under Clause 5.6 of the Debenture, the Chargor covenants with the Security Trustee (for itself and for and on behalf of the Arranger, the Agent and the Lenders) that for the duration of the Security Period it shall not, inter alia:-

1. voluntarily or involuntarily create, assume or permit to exist any Security Interest upon any of its assets (whether owned at the date of the Debenture or thereafter acquired) other than Permitted Security Interests;
2. without the prior written consent of the Security Trustee, voluntarily or involuntarily, sell, assign, convey, transfer, lease, licence or otherwise dispose of all or any part of any interest in its assets (whether by one transaction or a series of transactions and whether related or not) or share or part with possession or occupation of any of its assets to any third party or grant to any third party any right, licence or interest whatsoever in or over any of its assets or otherwise other than:-
 - 2.1 disposals of assets in exchange for other assets of equal or greater value and of comparable type;
 - 2.2 disposals of surplus, obsolete or redundant assets not required for the efficient operation of the Chargor's business, on arm's length terms and at fair market value; and
 - 2.3 pursuant to Approved Residential Agreements or licences granted in the ordinary course of business on arm's length terms and at fair market value in respect of any concession necessary for the operation of the Chargor's business;
 - 2.4 sales or other disposals of assets from the Chargor to another Obligor (the "transferee") PROVIDED THAT (i) the transferee is party to a Debenture; (ii) any Authorisations necessary for such sale or other disposal have been obtained; and (iii) following such sale or other disposal the transferee holds the transferred assets upon the same terms and conditions on which such assets were held by the Chargor; and
 - 2.5 sales or other disposals (not falling within paragraphs 2.1 to 2.4 above) by the Chargor for market value on an arm's length basis PROVIDED THAT the aggregate proceeds of any such sales or other disposals effected in any financial year of the Chargor do not exceed £100,000;
3. it shall not, except with the prior written consent of the Security Trustee, exercise any of the powers of leasing or of agreeing to lease (other than pursuant to Approved Residential Agreements) or of accepting surrenders conferred on mortgagors by the Act or release or agree to release or vary or agree to vary (save for any variations that

would not reasonably be expected adversely to affect the interests of the Security Trustee, the Agent and the Lenders) any terms of, nor grant any licences (save as permitted pursuant to paragraph 2.3 above) or consents (including for the avoidance of doubt licences or consents for the assignment or subletting of the whole or any part of the Charged Property) under, any Leases for the time being affecting the Charged Property, nor without such consent as aforesaid exercise any power to determine or forfeit the same or extend the same.

Definitions

The following terms used in this form shall have the meanings set out below:-

"Act" means the Law of Property Act 1925;

"Agent" means Fortis Bank S.A./N.V., a company organised and existing under the laws of Belgium in its capacity as agent of the Lenders under the Finance Documents and acting through its United Kingdom branch at Camomile Court, 23 Camomile Street, London EC3A 7PP;

"Agreed Form" means, in respect of a document, such document initialled for identification purposes on behalf of the Agent and the Borrower on or prior to the date of the Facility Agreement;

"Approved Residential Agreements" means residential agreements entered into by the Chargor on an arm's length basis and in the ordinary course of its business;

"Arranger" means Fortis Bank S.A./N.V., a company organised and existing under the laws of Belgium, in its capacity as arranger for the Lenders and acting through its United Kingdom branch at Camomile Court, 23 Camomile Street, London EC3A 7PP;

"Authorisations" shall bear the meaning ascribed thereto in the Facility Agreement;

"Borrower" means Sunrise of Westbourne Limited, a company organised and existing under the laws of Jersey (company registration number 86223) and having its registered office at 47 Esplanade, St. Helier, Jersey JE1 0BD;

"Charged Property" means all property, assets, undertaking and rights which are the subject of the security constituted by the Debenture for the time being and from time to time and references to the Charged Property include references to any part of it;

"Contractor" means Wates Construction Limited, a company organised and existing under the laws of England and Wales (company registration number 01977948) of Wates House, Station Approach, Leatherhead, Surrey KT22 7SW;

"Cross Guarantees" means the two guarantees dated 29 September 2004 and executed by the Borrower in favour of the Security Trustee as trustee for the Lenders;

"Debentures" means each of:-

1. the Debenture;
2. the debenture dated 29 September 2004 and executed by the Borrower in favour of the Security Trustee as trustee for the Lenders; and

3. the debenture dated 29 September 2004 and executed by the Home Help Company in favour of the Security Trustee as trustee for the Lenders;

"Debts" means all existing and future book and other debts and rights to money and income liquidated and unliquidated owing to the Chargor (including Rent) including the benefit of all negotiable instruments, securities, guarantees and indemnities for such debts and rights but not including cash at bank;

"Development" means the development of the Property in accordance with the Development Agreement;

"Development Agreement" means the development agreement dated 29 September 2004 between the Borrower and the Project Manager;

"Development Team" means the Contractor, the Project Manager and the other professional consultants and principal sub-contractors engaged by the Project Manager and/or the Contractor in connection with the management, administration, design and/or carrying out of any part or parts of the works comprising the Development;

"Event of Default" bears the meaning ascribed thereto in the Facility Agreement;

"Facility Agreement" means a facility agreement dated 29 September 2004 between the Borrower, Fortis Bank S.A./N.V. as Arranger, Agent and Security Trustee and the Lenders referred to therein;

"Fee Letter" means the letter dated 13 January 2004 addressed from the Agent to SSL setting out details of certain fees to be paid by SSL;

"Finance Documents" means the Facility Agreement, the Master Agreement, the Security Documents, any Hedging Agreement, the Fee Letter, the Cross Guarantees and any other document designated as such by the Agent and the Borrower;

"Finance Party" means the Arranger, the Agent, the Security Trustee, the Hedging Bank or a Lender;

"Guarantees" means each of:-

1. the cost overrun and completion guarantee dated 29 September 2004 and executed by SSL and SD (on a joint and several basis) in favour of the Security Trustee as trustee for the Lenders;
2. the funding obligation dated 29 September 2004 and executed by SSL and SSLM (on a joint and several basis) in favour of the Security Trustee as trustee for the Lenders;
3. the guarantee dated 29 September 2004 and executed by the Chargor in favour of the Security Trustee as trustee for the Lenders;

4. the guarantee dated 29 September 2004 and executed by the Home Help Company in favour of the Security Trustee as trustee for the Lenders; and
5. the guarantee of the Borrower's obligations under the Finance Documents dated 29 September 2004 and executed by Sunrise of Edgbaston Limited in favour of the Security Trustee as trustee for the Lenders;
6. the guarantee of the Borrower's obligations under the Finance Documents dated 29 September 2004 and executed by Sunrise of Fleet Limited in favour of the Security Trustee as trustee for the Lenders,

and **"Guarantee"** means any of them;

"Hedging Agreement" means any interest rate swap or similar arrangement entered into by the Borrower with the Hedging Bank in relation to any exposure under the Facility Agreement;

"Hedging Bank" means Fortis Bank S.A./N.V. acting through its United Kingdom branch at Camomile Court, 23 Camomile Street, London EC3A 7PP or any of the other Lenders;

"Home Help Company" means Sunrise Home Help Westbourne Limited, a company organised and existing under the laws of England and Wales (company registration number 4407383) and having its registered office at Shire House, West Common, Gerrards Cross, Buckinghamshire SL9 7QN;

"Intellectual Property Rights" means in relation to the Chargor, all patents, trade marks, service marks (and all goodwill associated with them), all brand and trade names, all copyrights and rights in the nature of copyright, database rights, design rights and registered designs, all documented trade secrets and know-how and all other intellectual property rights now or in the future owned or (to the extent of its interest) enjoyed by the Chargor, all applications for the protection of any such rights in any part of the world and the benefit of all agreements and licences now or in the future entered into or enjoyed by the Chargor relating to the use or exploitation of any such rights and includes each or any of them and **"Intellectual Property Right"** shall be construed accordingly;

"Intercompany Domiciliary Care Agreement" means the intercompany domiciliary care agreement executed or to be executed between the Chargor and the Home Help Company;

"Investment" means any existing and future:-

1. stock, share, bond or any form of loan capital of or in any legal entity;
2. unit in any unit trust or similar scheme;

3. warrant or other right to acquire any such investment, and to the extent not constituting a Debt, any income, offer, right or benefit in respect of any such investments;

"Leases" means all the occupational leases, underleases, licences, tenancy agreements or other agreements for the letting of the Property or any part thereof from time to time subsisting (including, without limitation to the generality of the foregoing, the Principal Lease);

"Lender" means:

1. any Original Lender; and
2. any bank or financial institution which has become a Party in accordance with Clause 22 (*Changes to the Lenders*) of the Facility Agreement,

which in each case has not ceased to be a Party in accordance with the terms of the Facility Agreement;

"Master Agreement" means the master agreement dated 9 February 2004 and made between SSL, the Financial Institutions referred to therein and Fortis Bank S.A./N.V. (acting as arranger, agent and security trustee) as amended by an amendment agreement dated 29 September 2004;

"Obligor" means the Borrower or any other party to a Finance Document (other than a Finance Party);

"Operational Management Agreement" means the operational management agreement executed or to be executed between the Chargor and the Project Manager;

"Original Lenders" means:-

1. Fortis Bank S.A./N.V., acting through its United Kingdom branch at Camomile Court, 23 Camomile Street, London EC3A 7PP;
2. the Governor and Company of the Bank of Scotland acting through its branch at 3-5 Albyn Place, Aberdeen AB10 1PY; and
3. the Governor and Company of the Bank of Ireland acting through its branch at 36 Queen Street, London EC4R 1HJ;

"Parent" means PS UK S.a.r.l., a company incorporated under the laws of Luxembourg (company registration number B93236) and having its registered office at 9 avenue Guillaume, L-1651 Luxembourg;

"Party" means a party to the Facility Agreement;

"Permitted Security Interests" bears the meaning ascribed thereto in the Facility Agreement;

"Principal Lease" means the lease of the Property executed or to be executed between the Borrower and the Chargor;

"Project Manager" means Sunrise Senior Living Limited, a company incorporated under the laws of England and Wales (company registration number 03427251) and having its registered office at Shire House, West Common, Gerrards Cross, Buckinghamshire SL9 7QN;

"Project Manager Security Deed" means the security deed dated 29 September 2004 and executed by the Project Manager in favour of the Security Trustee as trustee for the Lenders;

"Property" means all that freehold property known as 16-18 Poole Road, Westbourne, Bournemouth and registered at the Land Registry with title absolute under title number DT 134351;

"Rent" means all monies received or receivable at any time by the Chargor under Approved Residential Agreements;

"SD" means Sunrise Development, Inc, a company incorporated under the laws of the Commonwealth of Virginia and having its principal office at 7902 Westpark Drive, McLean, Virginia 22102 U.S.A.;

"SSL" means Sunrise Senior Living, Inc, a company incorporated under the laws of the State of Delaware and having its principal office at 7902 Westpark Drive, McLean, Virginia 22102 U.S.A.;

"SSLM" means Sunrise Senior Living Management, Inc, a company incorporated under the laws of the Commonwealth of Virginia and having its principal office at 7902 Westpark Drive, McLean, Virginia 22102 U.S.A.;

"Security Documents" means the Debentures, the Shares Mortgages, the Guarantees, the Subordination Deed, the Project Manager Security Deed, the Warranties and any other agreement or document that may be executed at any time by the Borrower or any other Obligor or any other person as security for all or any amounts payable under or in connection with any of the Facility Agreement and the documents referred to in this definition;

"Security Interest" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

"Security Period" means the period commencing on the date of the Debenture and ending on the date upon which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full;

"Security Trustee" means Fortis Bank S.A./N.V., a company organised and existing under the laws of Belgium and acting in its capacity as security trustee for the Agent and the Lenders through its United Kingdom branch at Camomile Court, 23 Camomile Street, London EC3A 7PP;

"Shares Mortgages" means each of:-

1. the Jersey law security interest agreement in respect of the entire issued share capital of the Borrower dated 29 September 2004 and executed by the Parent in favour of the Security Trustee as trustee for the Lenders; and
2. the shares mortgage over the entire issued share capital of the Chargor dated 29 September 2004 and executed by the Parent in favour of the Security Trustee as trustee for the Lenders; and
3. the Shares Mortgage over the entire issued share capital of the Home Help Company dated 29 September 2004 and executed by the Project Manager in favour of the Security Trustee as trustee for the Lenders;

"Subordination Deed" means the subordination deed dated 29 September 2004 between Fortis Bank S.A./N.V. (as agent and security trustee), the Parent and the Borrower; and

"Warranties" means the collateral warranties in the Agreed Form to be granted by the Development Team in favour of the Security Trustee (as trustee for the Lenders), together with certified copies of the underlying deeds of appointment or sub-contracts relating to such collateral warranties provided by the Development Team.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 05210945

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 29th SEPTEMBER 2004 AND CREATED BY SUNRISE OPERATIONS WESTBOURNE LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY AND THE BORROWER TO FORTIS BANK S.A/N.V (THE SECURITY TRUSTEE), THE ARRANGER, THE AGENT AND THE LENDERS 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 OCTOBER 2004.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 8th OCTOBER 2004.

DP-P



Companies House
— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES