

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

155(6)b

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

Company number

— — — — —

05367537

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

Name of company

* SACKVILLE PROPERTIES LIMITED

* insert full name
of company

XWe ø NEIL YOUNG of Shepherd Standing, Marlow Road, Pinkeys Green,
Berkshire SL6 6NR

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

NICHOLAS SCOTT RUMSEY of Somerton Farm, Forest Road, Winkfield Row,
Bracknell, Berks RG42 7NJ

† delete as appropriate

~~XXXXXX~~ [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:

[illegible]

(b) ~~Redacted text: Max. of a nurse authorized under section 3 or 4 of the Insurance Companies Act 1992 to work on~~

insurance business in the United Kingdom. It

(c) something other than the above §

This company is [the] ☒ holding company of* SACKVILLE CENTRAL INVESTMENTS LIMITED
(Co. No: 05500721) _____ which is

proposing to give financial assistance in connection with the acquisition of shares

in [this company] [_____]

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

Herbert Smith LLP
Exchange House
Primrose Street
London
EC2A 2HS

Ref: 2334/7988/30869254

For official Use
General Section

Post room



LD3 #LIQ
COMPANIES HOUSE

191
06/11/2006

Please do not
write in this
margin

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

The assistance is to be given to: (note 2) CARISBROOKE ANGLO VENTURES LIMITED
10 OLD JEWRY, LONDON, EC2R 8DN

Please see Continuation Sheet 1

† delete as appropriate

Please see Continuation Sheet 1

The value of any asset to be transferred to the person assisted is £ See Continuation Sheet 2

Page 3

This is Continuation Sheet 1 referred to on page 2 of the attached Companies Form No.155(6)b

Definitions used throughout this Continuation Sheet 1:

"Abbotsford Standard Security" means the Scots Law standard security in respect of the property known as Abbotsford House, Davids Loan, Falkirk FK2 7YZ being the whole subjects registered in the Land Register of Scotland under Title Number STG 15207 to be entered into by the Company in favour of the Security Trustee;

"Assignment of Rents" means a Scots Law assignment of rents to be entered into by the Company in favour of the Security Trustee;

"Carron Place Standard Security" means the Scots Law standard security in respect of the property known as 87 and 93 Carron Place, East Kilbride G75 0YL being the whole subjects registered in the Land Register of Scotland under Title Number LAN 125563 to be entered into by the Company in favour of the Security Trustee;

"Chargors" means Carisbrooke Anglo Ventures Limited (1), Countryroad Investments Limited (2), GPF Douglas House No. 1 Limited (3), GPF Douglas House No. 2 Limited (4), GPF Hemel Hempstead No. 1 Limited (5), GPF Hemel Hempstead No. 2 Limited (6), GPF High Wycombe No. 1 Limited (7), GPF High Wycombe No. 2 Limited (8), GPF Investment Company Limited (9), GPF Lincoln No. 1 Limited (10), GPF Lincoln No. 2 Limited (11), GPF Woking No. 1 Limited (12), GPF Woking No. 2 Limited (13), Sackville Central Holdings Limited (14), the Company (15), Sackville Nursing Homes Limited (16), Sackville Properties Limited (17), Sackville Properties (Barry) Limited (18), Sackville Properties (Basingstoke) Limited (19), Sackville Property Investments Limited (20), GPF Peterborough No.1 Limited (21) and GPF Peterborough No.2 Limited (22);

"Company" means SACKVILLE CENTRAL INVESTMENTS LIMITED (registered company number: 05500721);

"Facility A Accession Letter" means the accession letter from the Company and addressed to the Security Trustee, in respect of the Company's accession as guarantor to the Facility A Agreement, addressed to the Security Trustee;

"Facility B Accession Letter" means the accession letter from the Company and addressed to the Security Trustee, in respect of the Company's accession as guarantor to the Facility B Agreement, addressed to the Security Trustee;

"Facility A Agreement" means the senior loan facility between Carisbrooke Anglo Ventures Limited and Anglo Irish Bank Corporation plc in respect of a term loan facility of up to £135,000,000 dated on or around the date of the Guarantee and Debenture as amended, varied, supplemented, assigned, restated or novated from time to time;

"Facility B Agreement" means the mezzanine loan facility between Carisbrooke Anglo Ventures Limited and Anglo Irish Bank Corporation plc in respect of a term loan facility of up to £17,500,000 dated on or around the date of the Guarantee and Debenture as amended, varied, supplemented, assigned, restated or novated from time to time;

"Glenfield Standard Security" means the Scots Law standard security in respect of the property known as 11 Glenfield Road, East Kilbride G75 0RA being the whole subjects registered in the Land Register of Scotland under Title Number LAN 114681 to be entered into by the Company in favour of the Security Trustee;

"Guarantee and Debenture" means the guarantee and debenture between Carisbrooke Anglo Ventures Limited, the Chargors and the Security Trustee dated 31 October 2006;

"Honeywell Standard Security" means the Scots Law standard security in respect of the property known as Honeywell House, The Murray Road, East Kilbride G75 0QG lying on the east side of Murray Road, East Kilbride being the whole subjects registered in the Land Register of Scotland under Title Number LAN 96165 to be entered into by the Company in favour of the Security Trustee;

"Kelso Drive Standard Security" means the Scots Law standard security in respect of the property known as 79, 81, 83 and 85 Kelso Drive, East Kilbride being the whole subjects registered in the Land Register of Scotland under Title Number LAN 125564 to be entered into by the Company in favour of the Security Trustee;

"Old Coach Standard Security" means the Scots Law standard security in respect of the property known as 19, 21, 23, 25 and 27 Old Coach Road, East Kilbride being the whole subjects registered in the Land Register of Scotland under Title Number LAN 125562 to be entered into by the Company in favour of the Security Trustee;

"Secured Liabilities" means, all the present and future obligations and liabilities of each Chargor from time to time:

(i) to the Security Trustee and/or each of the Secured Parties (except the Loan Stock Holders) whether actual, contingent, sole, joint and/or several or otherwise, including without limitation, all obligations to indemnify the Security Trustee and each of the other Secured Parties and all interest, costs and expenses and so that such interest shall be computed and compounded as well after as before any demand made or judgment obtained under or in relation to the Guarantee and Debenture (except the Loan Stock Holders); and

(ii) to the Loan Stock Holders under Loan Stock Instrument whether actual, contingent, sole, joint and/or several or otherwise, including without limitation, all obligations to indemnify the Loan Stock Holders (to the extent expressly contained in the Loan Stock Instrument) including, for the avoidance of doubt, any liability arising from any and all amendments, supplements or restatements of the Loan Stock Instrument from time to time including (without limitation) any and all increases in the Loan Stock from time to time;

"Secured Parties" means the Lender, the Hedge Counterparty, any Receiver or Delegate and the Loan Stock Holders;

"Security Trustee" means Anglo Irish Bank Corporation plc.

1. THE FORM OF THE ASSISTANCE

The financial assistance to be given by the Company will take the form of:

- (A) the execution and delivery by the Company of the Guarantee and Debenture in favour of the Security Trustee as agent and trustee for the Secured Parties;
- (B) the execution and delivery by the Company of the Facility A Accession Letter and Facility B Accession Letter under which the Company will accede to the Facility A Agreement and the Facility B Agreement;
- (C) the execution and delivery by the Company of the Abbotsford Standard Security in favour of the Security Trustee;
- (D) the execution and delivery by the Company of the Carron Place Standard Security in favour of the Security Trustee;
- (E) the execution and delivery by the Company of the Glenfield Standard Security in favour of the Security Trustee;
- (F) the execution and delivery by the Company of the Honeywell Standard Security in favour of the Security Trustee;
- (G) the execution and delivery by the Company of the Kelso Drive Standard Security in favour of the Security Trustee;
- (H) the execution and delivery by the Company of the Old Coach Standard Security in favour of the Security Trustee;
- (I) the execution and delivery by the Company of the Assignment of Rents in favour of the Security Trustee; and
- (J) the entry into and borrowing of loans under the Intra-group Loan Agreement.

Definitions applicable to this section 1:

"Intra-group Loan Agreement" means the loans made pursuant to an intra-group loan agreement between the Chargors dated 31 October 2006.

2. PRINCIPAL TERMS OF THE ASSISTANCE TO BE GIVEN

2.1 Under the terms of the Guarantee and Debenture:

- 2.1.1 the Company hereby covenants with the Security Trustee that it will pay or discharge the Secured Liabilities on the respective due dates therefor in the manner provided for in the Finance Documents or if they do not specify a time for payment, immediately on demand by the Security Trustee;
- 2.1.2 the Company irrevocably and unconditionally jointly and severally:
 - (A) guarantees to each Secured Party punctual performance by the Company of all of Carisbrooke Anglo Ventures Limited's obligations in respect of the Secured Liabilities;

- (B) undertakes with each Secured Party that whenever the Carisbrooke Anglo Ventures Limited does not pay any Secured Liability when due, the Company shall immediately on demand pay that amount as if it was the principal obligor; and
 - (C) indemnifies each Secured Party immediately on demand against any cost, loss or liability suffered by that Secured Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which that Secured Party would otherwise have been entitled to recover.
- 2.1.3 the Company with full title guarantee, charges in favour of the Security Trustee as security for the payment of all Secured Liabilities (whether of that or any other Chargor) by way of first legal mortgage, all of the legal and beneficial interest it has in and to the Property or Properties listed opposite its name in the table set out in Part I of Schedule 2 of the Guarantee and Debenture;
- 2.1.4 the Company, as security for the payment of all Secured Liabilities (whether of the Company or any other Chargor) with full title guarantee charges in favour of the Security Trustee by way of first fixed charge:
- (A) (to the extent the same are not the subject of an effective mortgage under Clause 4.1 of the Guarantee and Debenture) all other properties now belonging to it and acquired by it in the future;
 - (B) all plant and machinery (not charged by Clause 4.1 or 4.2.1 of the Guarantee and Debenture) now or in the future owned by it, its interest in any such plant or machinery in its possession and all contracts, licences and warranties relating to the same;
 - (C) the Charged Shares held now or in the future by it and/or any nominee on its behalf together with all Related Rights;
 - (D) (to the extent the same are not charged by Clause 4.2.3 of the Guarantee and Debenture) the Charged Investments, held now or in the future by it and/or any nominee on its behalf together with all Related Rights.
 - (E) all moneys (including interest) standing now or in the future to the credit of any bank account held by it with any bank, financial institution or other person and all rights in relation thereto and all debts represented thereby;
 - (F) to the extent they are not subject to an effective assignment under Clause 4.3 of the Guarantee and Debenture all benefits in respect of Insurances, all claims in (and proceeds thereof) respect thereof and return of premiums in respect thereof to which the Company is now or may at any future time become entitled;
 - (G) (to the extent that the same do not fall within any other sub-paragraph of this Clause 4.2 of the Guarantee and Debenture) all book and other debts and other moneys due, owing, payable or incurred to it now or at any time in the future and the benefit of all rights, securities and guarantees of any nature whatsoever now or at any time enjoyed or held by them in

relation to the foregoing including, for the avoidance of doubt, in each case the proceeds of the same, all liens, reservations of title, and other rights enabling the Company to enforce such debts;

- (H) its present and future beneficial interest, claim or entitlement in any pension fund;
- (I) its present and future goodwill;
- (J) the benefit of all present and future licences (statutory or otherwise) held or to be held in connection with its business or the use of any of the Security Assets and the right to recover and receive all compensation which may at any time become payable to it in respect thereof;
- (K) its present and future uncalled capital;
- (L) all its Intellectual Property;
- (M) (to the extent they are not subject to an effective assignment under Clause 4.3 of the Guarantee and Debenture) all its rights under the Acquisition Agreement;
- (N) (to the extent they are not subject to an effective assignment under Clause 4.3 of the Guarantee and Debenture) all its rights under the Asset Management Agreement;
- (O) (to the extent they are not subject to an effective assignment under Clause 4.3 of the Guarantee and Debenture) all its rights under the Occupational Leases;
- (P) (to the extent they are not subject to an effective assignment under Clause 4.3 of the Guarantee and Debenture) all its rights under the Hedging Agreements;
- (Q) (to the extent they are not subject to an effective assignment under Clause 4.3 of the Guarantee and Debenture) all its rights under the Managing Agent Agreement;
- (R) (to the extent they are not subject to an effective assignment under Clause 4.3 of the Guarantee and Debenture) all its rights under the Construction Documents;
- (S) (to the extent they are not subject to an effective assignment under Clause 4.3 of the Guarantee and Debenture) all of its right, title and interest in and to the Deposit Account and all sums from time to time standing to the credit of the Deposit Account including all entitlements to interest and other rights and benefits accruing to or arising in connection with the Deposit Account and the debts represented thereby;
- (T) (to the extent they are not subject to an effective assignment under Clause 4.3 of the Guarantee and Debenture) all of its right, title and interest in and to the General Account and all sums from time to time standing to the credit of the General Account including all entitlements to interest

and other rights and benefits accruing to or arising in connection with the General Account and the debts represented thereby;

- (U) (to the extent they are not subject to an effective assignment under Clause 4.3 of the Guarantee and Debenture) all of its right, title and interest in and to the Income Reserve Account and all sums from time to time standing to the credit of the Income Reserve Account including all entitlements to interest and other rights and benefits accruing to or arising in connection with the Income Reserve Account and the debts represented thereby; and
- (V) (to the extent they are not subject to an effective assignment under Clause 4.3 of the Guarantee and Debenture) all of its right, title and interest in and to each Intra-Group Loan Agreement and the debts represented thereby;

2.1.5 the Company assigns to the Security Trustee:

- (A) all Rental Income (exclusive of VAT);
- (B) all its rights under the Occupational Leases;
- (C) all its rights under the Hedging Agreements;
- (D) all its rights under the Acquisition Agreement; and
- (E) all its rights under the Asset Management Agreement;
- (F) all its rights under the Managing Agent Agreement;
- (G) all its rights under the Construction Documents;
- (H) all its rights under the Insurances;
- (I) all of its right, title and interest in and to the Deposit Account and all sums from time to time standing to the credit of the Deposit Account including all entitlements to interest and other rights and benefits accruing to or arising in connection with the Deposit Account and the debts represented thereby;
- (J) all of its right, title and interest in and to the General Account and all sums from time to time standing to the credit of the General Account including all entitlements to interest and other rights and benefits accruing to or arising in connection with the General Account and the debts represented thereby;
- (K) all of its right, title and interest in and to the Income Reserve Account and all sums from time to time standing to the credit of the Income Reserve Account including all entitlements to interest and other rights and benefits accruing to or arising in connection with the Income Reverse Account and the debts represented thereby; and
- (L) all of its rights under each Intra-Group Loan Agreement and the debts represented thereby;

2.1.6 A reference in the Guarantee and Debenture to a charge or mortgage of any freehold or leasehold property (including, for the avoidance of doubt, but without prejudice to the foregoing generality, the Properties) includes:

- (A) all buildings and Fixtures on that property;
- (B) the proceeds of sale of any part of that property; and
- (C) the benefit of any covenants for title given or entered into by any predecessor in title of the Company in respect of that property or any moneys paid or payable in respect of those covenants;

2.1.7 The Company with full title guarantee, as security for the payment of the Secured Liabilities (whether of the Company or any other Chargor), charges in favour of the Security Trustee by way of a first floating charge (i) all its assets situated outside Scotland or governed by a body of law other than Scots law and not otherwise effectively charged or assigned by way of fixed mortgage or charge or assignment by Clause 3.10 of the Guarantee and Debenture or by a separate security agreement, and (ii) all its assets situated in Scotland or otherwise governed by Scots law;

2.1.8 The Company agrees that it shall not create or permit to subsist any Security over any of its assets;

2.1.9 The Company agrees that it shall not:

- (1) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor;
- (2) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
- (3) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
- (4) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset;

2.1.10 Paragraphs 2.1.8 and 2.1.9 above do not apply to:

- (A) any netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;
- (B) any lien arising by operation of law and in the ordinary course of trading;
- (C) any Security entered into pursuant to any Finance Document; or

- (D) any Security in favour of Lloyds TSB plc in respect of the Existing Lloyds and Vendor Indebtedness which is released on the first Utilisation Date.

Definitions applicable to this section 2.1:

Acquisition means the acquisition of the Target Shares made pursuant to the Acquisition Documents;

"Acquisition Agreement" means the share sale agreement dated on or around the date of the Guarantee and Debenture relating to the sale and purchase of the Target Shares made and made between Carisbrooke Anglo Ventures Limited and the Vendors;

"Acquisition Documents" means the Acquisition Agreement, the Tax Deed, the Disclosure Letter and any other document designated as such by the Security Trustee and Carisbrooke Anglo Ventures Limited;

"Affiliate" means an "Affiliate" as defined in the Facility A Agreement;

"Asset Management Agreement" means the agreement between the Carisbrooke Anglo Ventures Limited and the Asset Manager in agreed form and dated the same date as Guarantee and Debenture;

"Asset Manager" means Carisbrooke Asset Management Limited or such other Asset Manager as approved by the Lender acting reasonably;

"Charged Investments" of each Chargor means:

- (a) securities and investments of any kind (including shares, stock, debentures, units, depositary receipts, bonds, notes, commercial paper and certificates of deposit);
- (b) warrants, options or other rights to subscribe for, purchase or otherwise acquire securities and investments;
- (c) all rights relating to securities and investments which are deposited with, or registered in the name of, any depositary, custodian, nominee, clearing house or system, investment manager, chargee or other similar person or their nominee, in each case whether or not on a fungible basis (including rights against any such person); and
- (d) all other rights attaching or relating to securities or investments and all cash or other securities or investments in the future deriving from Investments or such rights;

"Charged Shares" means the shares specified in Part II (*Charged Shares*) of Schedule 2 of the Guarantee and Debenture;

"Completion" means "Completion" as defined in the Facility A Agreement;

"Construction Documents" means those deeds and documents brief particulars of which are contained in Part III of Schedule 2 of the Guarantee and Debenture;

"Delegate" means any delegate, attorney or co-trustee appointed by the Lender under a Transaction Security Document;

"Deposit Account" means the deposit account or deposit accounts referred to in Clause 20.11.1 of each of the Facility A Agreement and the Facility B Agreement;

"Disclosure Letter" means the disclosure letter dated 31 October 2006 from the Vendors to Carisbrooke Anglo Ventures Limited;

"Existing Lloyds and Vendor Indebtedness" means (i) the Financial Indebtedness of the Group to Lloyds Bank TSB plc and (ii) the outstanding shareholder loans and other Financial Indebtedness of the Target Group to the shareholders and directors of Sackville Properties Limited immediately prior to the Acquisition referred to in the Vendor Indebtedness Letter;

"Facility A" means the "Facility" as defined in the Facility A Agreement;

"Facility Agreements" means the Facility A Agreement, the Facility B Agreement and each other facility agreement entered into between a Chargor and the Lender from time to time and "Facility Agreement" means any of them;

"Finance Documents" means each Facility Agreement, the documents defined as "Finance Documents" under each Facility Agreement and the Loan Stock Instrument;

"Financial Indebtedness" means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above;

"Fixtures" means in relation to any freehold or leasehold property charged by or pursuant to the Guarantee and Debenture all fixtures and fittings (including trade fixtures and fittings other than occupational tenants' fixtures and fittings) and fixed plant and machinery from time to time thereon, the property wherein is vested in any Chargor;

"General Account" means the general account or general accounts referred to in Clause 21.11.1 of each of the Facility A Agreement and the Facility B Agreement;

"Group" means Carisbrooke Anglo Ventures Limited and its Subsidiaries for the time being including the Target Group;

"Hedge Counterparty" means the Lender or an Affiliate of the Lender which has become a party to the Intercreditor Agreement as a Hedge Counterparty in accordance with the provisions of the Intercreditor Agreement;

"Hedging Agreement" means any master agreement, confirmation, schedule or other agreement in agreed form entered into or to be entered into by Carisbrooke Anglo Ventures Limited and a Hedge Counterparty for the purpose of hedging interest rate liabilities in relation to the Facility A pursuant to Clause 4.3 (*Conditions Subsequent*) of the Facility A Agreement;

"Income Reserve Account" means the Income Reserve Account referred to in Clause 20.11.3 of each of the Facility A Agreement and the Facility B Agreement;

"Insurances" means all contracts and policies of insurance or indemnities which are from time to time taken out by or on behalf of any Chargor or (to the extent of any Chargor's interest) in which any Chargor has an interest;

"Intellectual Property" means all know-how, patents, trade marks, service marks, designs, utility models, business names, domain names, topographical or similar rights, copyrights (including rights in computer software), moral rights, inventions, confidential information and other intellectual property monopoly rights and all interests (including by way of licence) subsisting anywhere in the world in any of the foregoing (in each case whether registered or not and including all applications for the same);

"Intercreditor Agreement" means the intercreditor agreement to be dated on or around the date of Completion and made between amongst others Carisbrooke Anglo Ventures Limited and other Obligors, Anglo Irish Bank Corporation plc as facility A lender, facility B lender and security trustee and the Loan Stock Holders as acceded to, amended, supplemented, varied, restated, novated or replaced from time to time;

"Intra-Group Loan Agreement" means:

(i) the loan agreement between (1) Carisbrooke Anglo Ventures Limited (as lender) and (2) Sackville Properties Limited, GPF Investment Company Limited and Sackville Central Holdings Limited (as borrowers) dated 3 / October 2006 in respect of a loan facility of up to £151,818,192 in aggregate;

(ii) the loan agreement between (1) each of the Obligors in its capacity (as lender) and (2) each of the Obligors in its capacity (as borrower) dated 3 / October 2006 in respect of a loan facility of up to £250,000,000 in aggregate; and

(iii) the loan agreements each dated 5 August 2005 between: (1) Sackville Central Holdings Limited and Sackville Properties (Basingstoke) Limited; (2) Sackville Central Holdings Limited and Countryroad Investments Limited; (3) Sackville Central Holdings Limited and Sackville

Central Investments Limited; (4) Sackville Central Holdings Limited and Sackville Properties (Barry) Limited; and (5) Sackville Central Holdings Limited and Sackville Nursing Homes Limited;

"Lease Documents" means the "Lease Documents" as defined in the Facility A Agreement;

"Lender" means Anglo Irish Bank Corporation plc having its head office at Stephen Court, 18/21 St Stephens Green, Dublin 2;

"Loan Stock Holders" means the "Loan Stock Holders" as defined in the Facility A Agreement;

"Loan Stock Instrument" means the written instrument of Carisbrooke Anglo Ventures Limited which constitutes £20,451,000 subordinated secured loan stock;

"Managing Agent Agreement" means the agreement between the Asset Manager and Workman & Partners in agreed form and dated the same date as the Guarantee and Debenture;

"Obligor" means a Chargor;

"Occupational Leases" means any occupational lease, licence, tenancy agreement or other right of occupation relative to the Properties subsisting during the Security Period;

"Property" means each property listed in Part 1 of Schedule 2 of the Guarantee and Debenture hereto and any other estate and/or interest in freehold, leasehold and other immovable property anywhere in the world belonging to a Chargor or in which any Chargor has an interest from time to time (in each case including all rights from time to time attached or relating thereto and all Fixtures from time to time therein or thereon) and **"Properties"** shall be construed accordingly;

"Receiver" means a receiver and manager other receiver or administrative receiver appointed in respect of the Security Assets;

"Related Rights" means:

- (a) any dividend or interest paid or payable in relation to any of the Charged Shares and/or Charged Investments;
- (b) any stock, shares, securities, rights, moneys or property accruing or offered at any time, (whether by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise) to or in respect of any of the Charged Shares and/or Charged Investments or in substitution or exchange for or otherwise derived from any of the Charged Shares and/or Charged Investments; and
- (c) any dividend, interest or other income in respect of any asset referred to in paragraph (b) above;

"Rental Income" means the aggregate of all amounts paid or payable to or for the benefit of any Chargor in connection with the letting, use or occupation of all or any part of a Property including:

- (a) rents, licence fees and equivalent amounts in respect of a Property;
- (b) any amount paid from any deposit held as security for the performance of any tenant's obligations under any Lease Document;
- (c) any premium paid on the grant of any Lease Document;

- (d) any other moneys paid or payable in respect of loss of rent in respect of all or any part of a Property;
- (e) any insurance proceeds in respect of loss of rent in respect of all or any part of a Property;
- (f) any amount paid in respect of the grant, surrender or variation of any Lease Document;
- (g) any amount paid in respect of a breach of covenant under any Lease Document and any related costs and expenses;
- (h) any amount equal to any apportionment of rent allowed in favour of any Obligor under a contract for the purchase of any Property;
- (i) Service Charge Proceeds;
- (j) any amount paid by a guarantor in respect of any item set out in paragraphs (a) to (i) above; and
- (k) any interest or damages or compensation in respect of any item set out in paragraphs (a) to (j) above; and
- (l) any VAT on any amount set out in paragraphs (a) to (l) above;

"Security Assets" means all assets, rights and property of each Chargor the subject of any security hereby created or intended to be created;

"Security" 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 beginning on the date hereof and ending on the date upon which all the Secured Liabilities have been irrevocably paid and discharged in full and no Secured Party has any further commitment, obligation or liability under or pursuant to the Finance Documents;

"Security Trustee" means Anglo Irish Bank Corporation plc for itself and as security trustee for the Secured parties;

"Service Charge Proceeds" means the "Service Charge Proceeds" as defined in the Facility A Agreement;

"Subsidiary" means a subsidiary within the meaning of section 736 of the Companies Act 1985 and/or a subsidiary undertaking within the meaning of section 258 of the Companies Act 1985;

"Target Group" means Sackville Properties Limited and each of its Subsidiaries;

"Target Shares" means the entire issued share capital of Sackville Properties Limited (a company incorporated in England with registered number 5367537);

"Tax Deed" means the tax deed dated 31 October 2006 between the Vendors and Carisbrooke Anglo Ventures Limited;

"Transaction Security Documents" means the documents designated as "Transaction Security Documents" under each Facility Agreement;

"Utilisation" means a utilisation of the Facility A or the Facility B;

"Utilisation Date" means the date of a Utilisation, being the date on which the relevant Loan is to be made;

"Vendors" means Michael Ernest Bracken, Jonathan Philip Homan, Robert John Madejski OBE DL and Nigel Howe;

"Vendor Indebtedness Letter" means the letter from each shareholder and director of Sackville Properties Limited immediately prior to the Acquisition confirming the discharge and/or waiver of all outstanding shareholder loans and other Financial Indebtedness of the Target Group.

2.2 Under the terms of the Facility A Accession Letter and the Facility B Accession Letter:

2.2.1 The Company accedes to the Facility A Agreement and Facility B Agreement under which Carisbrooke Anglo Ventures Limited is borrowing money to purchase shares in Sackville Properties Limited;

2.2.2 Under the Facility A Agreement and the Facility B Agreement, the Company gives various undertakings;

2.3 Under the terms of the Abbotsford Standard Security;

2.3.1 The Company in security of the payment, discharge and performance of the Secured Liabilities hereby grants a standard security in favour of the Security Trustee over all and whole the subjects at and forming ALL and WHOLE those subjects on the southeast side of Davids Loan, Falkirk, comprising Abbotsford House, Davids Loan, Falkirk FK2 7YZ being the whole subjects registered in the Land Register of Scotland under Title Number STG 15207;

2.4 Under the terms of the Carron Place Standard Security:

2.4.1 The Company in security of the payment, discharge and performance of the Secured Liabilities hereby grants a standard security in favour of the Security Trustee over all and whole the subjects at and forming ALL and WHOLE the subjects at and forming 87 and 93 Carron Place, East Kilbride G75 0YL being the whole subjects registered in the Land Register of Scotland under Title Number LAN 125563;

2.5 Under the terms of the Glenfield Standard Security:

2.5.1 The Company in security of the payment, discharge and performance of the Secured Liabilities hereby grants a standard security in favour of the Security Trustee over all and whole the subjects at and forming ALL and WHOLE the subjects at and forming 11 Glenfield Road, East Kilbride G75 0RA being the whole subjects registered in the Land Register of Scotland under Title Number LAN 114681;

2.6 Under the terms of the Honeywell Standard Security:

2.6.1 The Company in security of the payment, discharge and performance of the Secured Liabilities hereby grants a standard security in favour of the Security Trustee over all and whole the subjects at and forming ALL and WHOLE the subjects at and forming Honeywell House, The Murray Road, East Kilbride G75 0QG lying on the east side of Murray Road, East Kilbride being the whole subjects registered in the Land Register of Scotland under Title Number LAN 96165;

2.7 Under the terms of the Kelso Drive Standard Security:

2.7.1 The Company in security of the payment, discharge and performance of the Secured Liabilities hereby grants a standard security in favour of the Security Trustee over all and whole the subjects at and forming ALL and WHOLE the subjects at and forming 79, 81, 83 and 85 Kelso Drive, East Kilbride being the whole subjects registered in the Land Register of Scotland under Title Number LAN 125564;

2.8 Under the terms of the Old Coach Standard Security:

2.8.1 The Company in security of the payment, discharge and performance of the Secured Liabilities hereby grants a standard security in favour of the Security Trustee over all and whole the subjects at and forming ALL and WHOLE the subjects at and forming 19, 21, 23, 25 and 27 Old Coach Road, East Kilbride being the whole subjects registered in the Land Register of Scotland under Title Number LAN 125562;

2.9 Under the terms of the Assignment of Rents:

2.9.1 The Company hereby assigns to the Security Trustee its whole right, title and interest in and to the Rental Income in respect of the Properties in security of the Secured Liabilities;

2.9.2 The Company undertakes to the Security Trustee to take all proper and reasonable steps as are within its power to procure payment of the Rental Income on the due dates under the Lease Documents and to take all reasonable and proper

steps to obtain payment of the same and any interest thereon as soon as possible thereafter;

- 2.9.3 The Company hereby irrevocably and severally appoints the Security Trustee as its Attorney and Mandatory to take any action which the Company is obliged to take under the Assignment of Rents including, without limitation;
- (A) demanding, suing for and giving effectual receipts and discharges for the monies due to be paid to the Company or its agents pursuant to the monies and others assigned hereunder; and
 - (B) taking such action and giving such instructions and executing all such further instruments and documentation as the Security Trustee may, acting properly and reasonably, consider necessary for protecting or perfecting any of its interests hereunder;
- 2.9.4 The Company undertakes forthwith to intimate the Assignment of Rents to the tenants under the Lease Documents in the terms set out in the draft Letter of Intimation in Part 3 of the Schedule to the Assignment of Rents and if received from the tenants shall deliver to the Security Trustee acknowledged Letters of Intimation from such tenants or such other evidence of intimation as the Security Trustee shall require;
- 2.9.5 The Company further undertakes to grant such further assignments of rents and intimations as the Security Trustee shall require in relation to any Rental Income payable in respect of future Lease Documents (including without prejudice to the generality Occupational Leases granted pursuant to Agreements for Lease dated prior to or after this Assignment of Rents) and that in terms *mutatis mutandis* the same as Assignment of Rents and the intimation and instruction letters referred to in Part 3 of the Schedule to the Assignment of Rents;
- 2.9.6 The Company shall free, relieve and keep indemnified the Security Trustee on demand from and against any loss, costs, charges, claims or expenses or others properly arising out of the Assignment of Rents or any actions taken hereunder.

Definitions Applicable to this section 2.9:

"Agreement for Lease" means an agreement to grant an Occupations Lease of all of or any one of or any part of the Properties;

"Facility Agreements" means the Facility A Agreement, the Facility B Agreement and each other facility agreement entered into between a Chargor and the Lender from time to time and **"Facility Agreement"** means any of them;

"Finance Document" means each Facility Agreement, the documents defined as **"Finance Documents"** under each Facility Agreement and the Loan Stock Instrument as the same may be amended, varied, supplemented, novated, restated, replaced or renewed from time to time (including supplements for further advances);

"Income Reserve Account" means the Income Reserve Account referred to in Clause 20.11.3 of each of the Facility A Agreement and the Facility B Agreement;

"Lease Document" means:

- (a) an Agreement for Lease;
- (b) the Occupational Leases; or
- (c) any other document designated as such by the Security Trustee and the Borrower;

"Occupational Leases" means any occupational lease, tenancy or licence or other right of occupation or right to receive rent to which the Properties may at any time be subject, the current details of which are set out in Part 1 of the Schedule;

"Properties" means:

- (a) Davids Loan, Falkirk, comprising Abbotsford House, Davids Loan, Falkirk FK2 7YZ with Title Number STG 15207;
- (b) 87 and 93 Carron Place, East Kilbride G75 0YL with Title Number LAN 125563;
- (c) 11 Glenfield Road, East Kilbride G75 0RA with Title Number LAN 114681;
- (d) Honeywell House, The Murray Road, East Kilbride G75 0QG lying on the east side of Murray Road, East Kilbride with Title Number LAN 96165;
- (e) 79, 81, 83 and 85 Kelso Drive, East Kilbride with Title Number LAN 125564; and
- (f) 19, 21, 23, 25 and 27 Old Coach Road, East Kilbride with Title Number 125562

and reference to the Properties means any part thereof;

"Rental Income" means the aggregate of all amounts paid or payable to or for the benefit of the Company in connection with the letting, use or occupation of all or any part of a Property including:

- (a) rents, licence fees and equivalent amounts in respect of a Property;
- (b) any amount paid from any deposit held as security for the performance of any tenant's obligations under any Lease Document;
- (c) any premium paid on the grant of any Lease Document;
- (d) any other moneys paid or payable in respect of loss of rent in respect of all or any part of a Property;
- (e) any amount paid in respect of the grant, surrender or variation of any Lease Document;
- (f) any amount paid in respect of a breach of covenant under any Lease Document and any related costs and expenses;
- (g) any amount equal to any apportionment of rent allowed in favour of the Company under a contract for the purchase of any Property;
- (h) Service Charge Proceeds;
- (i) any amount paid by a guarantor in respect of any item set out in paragraphs (a) to (i) above;

- (k) any interest or damages or compensation in respect of any item set out in paragraphs (a) to (i) above;
- (l) any VAT on any amount set out in paragraphs (a) to (l) above; and
- (m) any amount withdrawn from the Income Reserve Account as permitted by Clause 20.14.4 of each of the Facility A Agreement and the Facility B Agreement and any equivalent clause in any other Facility Agreement.

"Service Charge Proceeds" means the "Service Charge Proceeds" as defined in the Facility A Agreement; and

"VAT" means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature.

- 2.10 Under the terms of the Intra-group Loan Agreement, the Company, amongst others, will make available to the Borrowers a facility of up to £250,000,000 to be used for general corporate purposes.

Definitions applicable to this section 2.10:

"Borrowers" means Carisbrooke Anglo Ventures Limited, Countryroad Investments Limited, GPF Douglas House No. 1 Limited, GPF Douglas House No. 2 Limited, GPF Hemel Hempstead No. 1 Limited, GPF Hemel Hempstead No. 2 Limited, GPF High Wycombe No. 1 Limited, GPF High Wycombe No. 2 Limited, GPF Investment Company Limited, GPF Lincoln No. 1 Limited, GPF Lincoln No. 2 Limited, GPF Woking No. 1 Limited, GPF Woking No. 2 Limited, Sackville Central Holdings Limited, The Company, Sackville Nursing Homes Limited, Sackville Properties Limited, Sackville Properties (Barry) Limited, Sackville Properties (Basingstoke) Limited and Sackville Property Investments Limited;

"Intra-group Loan Agreement" means the loans made pursuant to an intra-group loan agreement between the Chargors dated 31 October 2006.

This is Continuation Sheet 2 referred to on page 2 of the attached Companies Form No. 155(6)b

The amount (if any) by which the net assets of the company which is giving the assistance will be reduced by giving it is £NIL but the Company is subject to contingent obligations under an intra-group loan to make loan facilities up to a maximum of £250,000,000 available to the Chargors and the Company has given security and a guarantee with respect to loan documents of a maximum of £172,201,000.

The amount of cash to be transferred to the person assisted is £NIL but the Company is subject to contingent obligations under an intra-group loan to make loan facilities up to a maximum of £250,000,000 available to the Chargors.

The value of any asset to be transferred to the person assisted is £NIL but the Company is subject to contingent obligations under an intra-group loan to make loan facilities up to a maximum of £250,000,000 available to the Chargors and the Company has given security and a guarantee with respect to loan documents of a maximum of £172,201,000.

"Chargors" means Carisbrooke Anglo Ventures Limited (1), Countryroad Investments Limited (2), GPF Douglas House No. 1 Limited (3), GPF Douglas House No. 2 Limited (4), GPF Hemel Hempstead No. 1 Limited (5), GPF Hemel Hempstead No. 2 Limited (6), GPF High Wycombe No. 1 Limited (7), GPF High Wycombe No. 2 Limited (8), GPF Investment Company Limited (9), GPF Lincoln No. 1 Limited (10), GPF Lincoln No. 2 Limited (11), GPF Woking No. 1 Limited (12), GPF Woking No. 2 Limited (13), Sackville Central Holdings Limited (14), the Company (15), Sackville Nursing Homes Limited (16), Sackville Properties Limited (17), Sackville Properties (Barry) Limited (18), Sackville Properties (Basingstoke) Limited (19), Sackville Property Investments Limited (20), GPF Peterborough No.1 Limited (21) and GPF Peterborough No.2 Limited (22).



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Our ref nh/tsu/holdco-sp-sci

Contact Wayne Cox
0115 935 3494

31 October 2006

Dear Sirs

Auditors' report to the directors of Sackville Properties Limited pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors dated 31 October 2006 in connection with the proposal that Sackville Central Investments Limited, of which this company is the ultimate holding company, should give financial assistance for the purchase of 100% of the ordinary shares of this company.

This report is made solely to the company's directors as a body in accordance with section 156(4) of the Companies Act 1985. Our work has been undertaken so that we as the company's auditors might state to the company's directors those matters we are required to state to them in a report under section 156(4) of that Act and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's directors as a body for our work under section 156(4) of that Act or for this report.

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

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 is unreasonable in all the circumstances.

Yours faithfully

KPMG LLP

KPMG LLP
Registered Auditor

