

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

155(6)b

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TUESDAY



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08/04/2008

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DX 255 LONDON/CHANCERY LANE
2182/B18668 44/CP3 3524336 1

The assistance is for the purpose of ~~100,000,000~~ [reducing or discharging a liability incurred for the purpose of that acquisition] † (note 1)

Please do not write in this margin

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

The number and class of the shares acquired or to be acquired is 50,001 ordinary shares of £1 each

The assistance is to be given to (note 2) Healthcare Homes Group Limited
(Company No 05507277) Lodge House, Lodge Lane, Langham, Colchester, Essex
CO4 5NE

The assistance will take the form of

See Annexure B attached to this form

The person who [has acquired] ~~100,000,000~~ † the shares is
Healthcare Homes Group Limited

† delete as appropriate

The principal terms on which the assistance will be given are

See Annexure C attached to this form

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

The amount of cash to be transferred to the person assisted is £ up to £60,000,000

The value of any asset to be transferred to the person assisted is £ Nil

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

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

~~X~~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)

delete either (a) or (b) as appropriate

(a) ~~X~~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)

[illegible]

And ~~X~~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 10 QUEEN ST PLACE
LONDON EC4A 3BE

Declarants to sign below

on

Day	Month	Year
03	04	2008

before me [Signature]
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

HEALTHCARE HOMES GROUP LIMITED

Company Number 05507277

Annexures to Form 155(6)b

Handwritten initials: B, S, B

ANNEXURE A

- 1 David John Bates of 3, Cathard Court, 38 The Esplanade, Frinton on Sea, Essex, CO13 9JD
- 2 Richard Stanely Clough of Hanini 50, Second Avenue, Frinton on Sea, Essex, CO13 9LX
- 3 Graham Charles Lomer of 3, Coppice End, Colchester, Essex, CO4 9RQ

This is Annexure A referred to in Form 155(6)(b) declared by the directors of the company on **3 April 2008**

Signed

Handwritten signature

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

D 3 B 16

ANNEXURE B - TO FORM 155(6)(b) IN RELATION TO HEALTHCARE HOMES GROUP LIMITED (COMPANY NUMBER 05507277) (THE "COMPANY") AND BEAUMONT PARK LIMITED (the "Subsidiary")

Please note that capitalised terms used in this form 155(6)b (including its annexures) are defined in Annexure D

The financial assistance will take the form of

- (a) the execution and delivery by the Subsidiary of a £55,000,000 facility agreement dated on or about the date hereof and entered into between (1) Healthcare Homes Holdings Limited (the "**Parent**"), (2) the subsidiaries of the Parent listed in Schedule 1 thereto together with the Parent as original guarantors, (3) The Royal Bank of Scotland plc in its capacity as (a) "**Arranger**", (b) "**Underwriter**", (c) "**Agent**" and (d) as Security Trustee and (4) National Westminster Bank plc as Original Lender and as the Working Capital Bank (the "**Facility Agreement**") Pursuant to the Facility Agreement, the Lender (as defined therein) has made available various facilities to the Parent which are to be used, inter alia, to refinance certain indebtedness of the Group,
- (b) the execution and delivery by the Subsidiary of an intercreditor agreement dated on or about the date hereof and entered into between (1) the Parent (2) certain subsidiaries of the Parent listed in Schedule 1 thereto (3) the Senior Lenders, the Working Capital Bank and the Investors (each as defined herein), (4) The Royal Bank of Scotland plc as Agent, (5) National Westminster Bank plc as Working Capital Lender and (6) The Royal Bank of Scotland plc as Security Trustee (the "**Intercreditor Agreement**"),
- (c) the execution and delivery by the Subsidiary of a debenture and guarantee dated on or about the date hereof and entered into between (1) the companies listed in Schedule 1 thereto (the "**Original Companies**") and (2) The Royal Bank of Scotland plc as agent and security trustee for the Finance Parties (the "**Security Trustee**") pursuant to which the Original Companies (i) covenant to pay or discharge all present and future obligations and liabilities (whether actual or contingent, present or future and whether owed jointly or severally) of each of the Companies (as defined therein) pursuant to the Finance Documents and (ii) create fixed and floating charges in respect of their assets and undertaking (the "**Debenture and Guarantee**"),
- (d) the execution and delivery by the Subsidiary of an intra-group loan agreement dated on or about the date hereof and entered into between (1) the Parent (as borrower) and (2) the Parent's subsidiaries (as lenders) and setting out the terms of certain intra-group loans to be made between the parties thereto (the "**Intra-Group Loan Agreement**"), and
- (e) the execution and delivery by (amongst others) the Subsidiary of a legal mortgage dated on or about the date hereof and entered into between (1) the Parent, (2) the charging subsidiaries listed in Schedule 1 thereto and (3) The Royal Bank of Scotland plc as security trustee (the "**Legal Mortgage**") (together the "**Financial Assistance Documents**")

This is Annexure B referred to in Form 155(6)(b) declared by the directors of the company on 3 April 2008

Signed 

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

ANNEXURE C - TO FORM (155(6)(b) IN RELATION TO HEALTHCARE HOMES GROUP LIMITED (COMPANY NUMBER 05507277) (THE "COMPANY") AND BEAUMONT PARK LIMITED (the "Subsidiary")

The financial assistance will be given on the terms set out in the Financial Assistance Documents, which include the following provisions

(A) Under the Facility Agreement:

1 Indemnity to the Security Trustee

- (a) The Subsidiary shall promptly indemnify the Security Trustee and every Receiver and Delegate against any cost, loss or liability incurred by any of them as a result of
 - (i) the taking, holding, protection or enforcement of the Transaction Security,
 - (ii) the exercise of any of the rights, powers, discretions and remedies vested in the Security Trustee and each Receiver and Delegate by the Finance Documents or by law, and
 - (iii) any default by any Obligor in the performance of any of the obligations expressed to be assumed by it in the Finance Documents
- (b) The Security Trustee may, in priority to any payment to the Secured Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this paragraph (b) and shall have a lien on the Security and the proceeds of the enforcement of the Security for all monies payable to it

2 Negative pledge

- (a) The Parent shall not (and shall ensure that no other member of the Group will) create or permit to subsist any Security over any of its assets other than security created by the Security Documents
- (b) The Parent shall not (and shall ensure that no other member of the Group will)
 - (i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by any other member of the Group,
 - (ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms,
 - (iii) 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
 - (iv) 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
- (c) Paragraphs (a) and (b) above do not apply to any Permitted Security

3 Further assurance

- (a) The Subsidiary shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Trustee may reasonably specify (and in such form as the Security Trustee may reasonably require in favour of the Security Trustee or its nominee(s))

- (i) to perfect the Security created or intended to be created under or evidenced by the Security Documents (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Transaction Security) or for the exercise of any rights, powers and remedies of the Security Trustee or the Finance Parties provided by or pursuant to the Finance Documents or by law,
 - (ii) to confer on the Security Trustee or confer on the Finance Parties Security over any property and assets of that Obligor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Security Documents, and/or
 - (iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Transaction Security
- (b) The Subsidiary shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Trustee or the Finance Parties by or pursuant to the Finance Documents

(B) Under the Debenture and Guarantee:

1 Covenant to Pay and Guarantee

In consideration of the Finance Parties providing or continuing to provide facilities (including loans, advances or further advances) to, or otherwise giving credit or granting accommodation or time to, (amongst others) the Subsidiary

- (a) The Subsidiary irrevocably and unconditionally covenants with the Security Trustee to pay to the Security Trustee (as agent and trustee for the Finance Parties) or discharge on demand all the Secured Liabilities when the Secured Liabilities become due and payable,
- (b) a separate and independent stipulation and without prejudice to any other provision of the Debenture and Guarantee, the Subsidiary irrevocably and unconditionally covenants with and guarantees to the Security Trustee that it shall indemnify and keep indemnified the Finance Parties on demand by the Security Trustee (and on a full indemnity basis) from and against all and any costs (including legal costs), charges, losses, expenses and damages incurred by the Finance Parties or any of them as a result of any failure or delay by any company to pay to the Security Trustee or discharge on demand all the Secured Liabilities when the Secured Liabilities become due or as a result of any of the Secured Liabilities being or becoming void, voidable, unenforceable or ineffective for any reason whatsoever,
- (c) The Subsidiary gives the covenants and guarantees in this clause subject to and with the benefit of the provisions set out in Schedule 6 of the Debenture and Guarantee jointly and severally with the other companies

2 Continuing Guarantee

The Debenture and Guarantee is a continuing security to the Security Trustee regardless of the intermediate payment or discharge of the whole or any part of the Secured Liabilities and will not be prejudiced or affected by any act, omission or circumstance which, but for this clause, might affect or diminish its effectiveness

3 Charging Clause

3 1 Scheduled Property

The Subsidiary charges, with full title guarantee, by way of first legal mortgage, the Scheduled Property and all Rights relating to the Scheduled Property

3 2 Other Property

The Subsidiary charges, with full title guarantee, by way of first fixed charge, the Property (except the Scheduled Property validly charged in clause 3 1 (Scheduled Property) of the Debenture and Guarantee) and all Rights relating to such Property

3 3 Material Contracts

The Subsidiary assigns, with full title guarantee, by way of absolute legal assignment, the Material Contracts

3 4 Book Debts

The Subsidiary charges, with full title guarantee, by way of first fixed charge, the Book Debts

3 5 Intellectual Property Rights

- (a) The Subsidiary charges, with full title guarantee by way of first fixed charge, all the Intellectual Property Rights now or in the future owned, possessed or controlled by the Subsidiary (whether alone or with others) anywhere in the world
- (b) The Subsidiary charges, with full title guarantee by way of first fixed charge, the benefit of all agreements and licences now or in the future entered into or enjoyed by or on behalf of the Subsidiary relating to the use or exploitation by or on behalf of the Subsidiary anywhere in the world of any Intellectual Property Rights owned by others
- (c) The Subsidiary charges, with full title guarantee, all the Subsidiary's rights now or in the future in relation to trade secrets, confidential information, and know how in any part of the world

3 6 Plant and Machinery

The Subsidiary charges, with full title guarantee, by way of first fixed charge, the Plant and Machinery

3 7 Shares and Derivative Assets

- (a) The Subsidiary charges, with full title guarantee, by way of first fixed charge, the Shares
- (b) The Subsidiary charges, with full title guarantee, by way of first fixed charge, all Derivative Assets of a capital nature
- (c) The Subsidiary charges, with full title guarantee, by way of first fixed charge, all Derivative Assets of an income nature

3 8 Bank Accounts

The Subsidiary charges, with full title guarantee, by way of first fixed charge, all present and future bank accounts, cash at bank and credit balances of the Subsidiary (excluding those arising on fluctuating accounts) with any bank or other person and all rights relating to or attaching to them (including the right to interest)

3 9 Goodwill

The Subsidiary charges, with full title guarantee, by way of first fixed charge, all the goodwill and uncalled capital for the time being of the Subsidiary

3 10 Insurance

- (a) The Subsidiary charges, with full title guarantee, by way of first fixed charge, all present and future insurances in respect of any Fixed Charge Assets and the proceeds of such insurances
- (b) The Subsidiary charges, with full title guarantee, by way of first fixed charge, all other present and future insurances and the proceeds of such insurances
- (c) The Subsidiary charges, with full title guarantee, by way of first fixed charge, the benefit of all warranties, instruments, guarantees, charges, pledges, and other security and all other rights and remedies available to the Subsidiary in respect of any Fixed Charge Asset

3 11 Hedging Documents

The Subsidiary charges, with full title guarantee, by way of absolute legal assignment, the Hedging Documents

3 12 Accruals etc

- (a) The Subsidiary charges, with full title guarantee, by way of absolute legal assignment, all rights, money or property accruing or payable to the Subsidiary now or in the future under or by virtue of a Fixed Charge Asset, except to the extent such rights, money or property are for the time being effectively charged under the provisions of clauses 3 1 (Scheduled Property) to 3 11 (Hedging Documents) (inclusive) of the Debenture and Guarantee
- (b) The Subsidiary charges, with full title guarantee, by way of first fixed charge, the Subsidiary's rights now or hereafter to recover any VAT on any supplies made to it relating to the Assets any tax refund, rebate or repayment, and any sums so recovered

3 13 Floating Charge

- (a) The Subsidiary charges, with full title guarantee, by way of first floating charge, all the undertaking and assets of the Subsidiary whatsoever, wherever situate, whether movable, immovable, present or future, including, without limitation, its uncalled capital for the time being and all the undertaking and assets of the Subsidiary referred to above which are, for any reason, not validly charged or assigned pursuant to clauses 3 1 (Scheduled Property) to 3 12 (Accruals etc) (inclusive) of the Debenture and Guarantee
- (b) The floating charge created by the Debenture and Guarantee is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986

3 14 The assignments set out in clauses 3 3 (Material Contracts), 3 11 (Hedging Documents) and 3 12 (Accruals etc) of the Debenture and Guarantee are absolute assignments for the purposes of section 136 LPA and are not made by way of charge only

3 15 Warranty Policies and Acquisition Agreement

The Subsidiary with full title guarantee hereby assigns and agrees to assign to the Security Trustee as security for the payment and discharge of all the Secured Liabilities all of its right, title and interest, present and future, in the Acquisition Agreement and undertakes to the Finance

Parties promptly to give such notice of the assignment hereunder and any subsequent assignments hereunder as the Security Trustee may reasonably require

4 Further Assurance

The Subsidiary shall at any time if required by the Security Trustee and at the Subsidiary's own expense

- (a) execute and deliver to the Security Trustee (acting reasonably) such further legal or other mortgages, charges, assignments, securities, authorities, documents, acts and things as the Security Trustee may in its discretion require of the whole or such part of the Assets as the Security Trustee may specify, in such form as the Security Trustee in its discretion may require, to secure the payment or discharge of the Secured Liabilities or to vest the whole or such part of the Assets in the Security Trustee, the nominee of the Security Trustee or in any purchaser from the Security Trustee or the Receiver or to perfect or protect the mortgages, charges and assignments created by the Debenture and Guarantee, and
- (b) pending the execution and delivery of any such assignments, hold such Assets upon trust for the Security Trustee or in any other manner required by the Security Trustee subject to the provisions of the Debenture and Guarantee

5 Continuing Guarantee

The Debenture and Guarantee shall

- (a) secure the ultimate balance from time to time owing to the Finance Parties by (amongst others) the Subsidiary and shall be a continuing guarantee, notwithstanding any intermediate payment or discharge of the whole or any part of the Secured Liabilities or any settlement of account or other matter whatsoever,
- (b) not be prejudiced by any act, omission or circumstance which, but for this clause, might affect or diminish its effectiveness,
- (c) be in addition to (and not in substitution for) any present or future Collateral Instrument, right or remedy held by or available to the Finance Parties in respect of the Secured Liabilities or otherwise, and
- (d) not be in any way prejudiced or affected by the existence of, and shall not be merged with, any Collateral Instrument, right or remedy held by or available to the Finance Parties or by the same becoming wholly or partly void, voidable or unenforceable for any reason nor by the Finance Parties dealing with, exchanging, varying or failing to perfect or enforce any of the same nor giving time for payment or indulgence or compounding with or substituting any other person liable whether under the Debenture and Guarantee or otherwise

(C) Under the Intercreditor Agreement.

Pursuant to the Intercreditor Agreement, the parties thereto agree to certain ranking and priority arrangements in respect of sums due and owing from (amongst others) the Subsidiary to, inter alia, the Lenders, the Intercompany Creditors and the Investors

Until after the Final Discharge Date

- (a) The Subsidiary will not, and the Subsidiary will procure that its subsidiaries will not, make, and no Subordinated Creditor will receive, any Distribution or any payment of any kind whatsoever in respect or on account of the Subordinated Debt (other than Permitted Junior Payments), and

- (b) The Subsidiary will not, and the Subsidiary will procure that its Subsidiaries will not, create or permit to subsist, and no Subordinated Creditor will receive from any Group Company, any Security over any asset of any Group Company or give or permit to subsist any guarantee in respect of any part of the Subordinated Debt, in each case, without the prior consent of the Agent

(D) Intra-Group Loan Agreement

Pursuant to the Intra-Group Loan Agreement the Subsidiary (amongst others) agrees to make certain facilities available to (amongst others) the Parent on the terms thereof

(E) Under the Legal Mortgage

1 Covenant to Pay and Guarantee

1 1 The Parent covenants with the Security Trustee that it will on demand pay to the Security Trustee

- (a) all indebtedness and monies and discharge all obligations and liabilities whatsoever, in whatever currency denominated, whether actual or contingent, present or future, which may be now or after the date of the Legal Mortgage due, owing or incurred by it to the Banks, or any of them, under or in connection with the Facility Agreement or under the Legal Mortgage and whether on any current or other account (whether alone or jointly and whether as principal or surety), and
- (b) all costs (including legal costs), charges, expenses and damages sustained or incurred by the Banks, or any of them, in connection with the enforcement, defence or protection of this Security or the appointment of any Receiver, Delegate or sub-delegate under the Legal Mortgage or the pursuit of any rights in the Legal Mortgage contained or under or in connection with the Facility Agreement, the Legal Mortgage or the Secured Property in each case on a full indemnity basis

1 2 The Subsidiary irrevocably and unconditionally

- (a) covenants with and guarantees to the Security Trustee that it will on demand pay to the Security Trustee, perform and discharge such of the Obligations as shall not have been paid, performed or discharged at the time such demand is made and indemnify and keep indemnified the Banks on demand by the Security Trustee from and against all and any costs (including legal costs), charges, losses, expenses and damages incurred by the Banks, or any of them as a result of any failure by the Parent to carry out any of the Obligations or as a result of any of the Obligations being or becoming void, voidable, unenforceable or ineffective for any reason whatsoever, and
- (b) covenants with the Security Trustee that it will on demand pay to the Security Trustee all costs (including legal costs), charges, expenses and damages sustained or incurred in connection with the enforcement, defence or protection of this Security or the appointment of any Receiver, Delegate or sub-delegate under the Legal Mortgage or the pursuit of any rights in the Legal Mortgage contained or in connection with the Facility Agreement, the Legal Mortgage or the Secured Property, in each case on a full indemnity basis and further covenants to observe, perform, pay and discharge all other obligations and liabilities whether actual or contingent now or after the date of the Legal Mortgage due owing or incurred by it under or in connection with the Legal Mortgage

1 3 The Subsidiary amongst others covenants with the Security Trustee to pay interest on and in respect of any amounts due under the foregoing from day to day until full discharge (whether before or after judgment, liquidation, winding up or administration of the Subsidiary) at such rate or rates as may from time to time be payable or deemed to be payable and compounded (whether before or after demand or judgment) in accordance with the Facility Agreement and, in the case of

any sum payable under sub-clause 1 1(a) or 1 2(a) of the Legal Mortgage, at the rate specified in clause 10 1 of the Facility Agreement from time to time provided that, in relation to such costs, charges, expenses, and damages and other sums as are mentioned in sub-clause 1 1(a) or 1 2(a) of the Legal Mortgage interest shall accrue and be payable as from the date on which they are paid by any Bank, any Receiver, Delegate or sub Delegate as mentioned in it or became due to such Receiver, Delegate or sub Delegate under the terms of his appointment without the necessity for any demand being made for payment of it

1 4 The Security Trustee covenants with the Parent that it will procure that the Arranger and the Agent (upon being put in funds by the Banks) shall, subject to and upon the terms and conditions of the Facility Agreement, make advances and further advances to the Parent

1 5 The guarantees given above are given subject to and with the benefit of the provisions set out in schedule 2 of the Legal Mortgage jointly and severally by the charging subsidiaries

2 Security

The Subsidiary with full title guarantee and to the intent that this Security shall rank as a continuing security for all the respective liabilities and obligations described in clause 2 of the Legal Mortgage charges to the Agent

- (a) by way of legal mortgage the Legally Mortgaged Property and/or its proceeds of sale, and
- (b) by way of fixed equitable charge the Equitably Charged Property and/or its proceeds of sale, and
- (c) by way of floating charge its undertaking and all its other property, assets and rights whatsoever and wheresoever present or future including, without limitation, the stock in trade of the Subsidiary and the property, assets and rights mortgaged or charged under sub-clauses (a) and (b) above if and in so far as the mortgage or charge on it in the Legal Mortgage contained shall for any reason be ineffective as fixed security (all such property, assets and rights called the "Property charged by way of Floating Charge")

3 Floating charge

3 1 Conversion by notice

The Security Trustee may by notice to (amongst others) the Subsidiary, convert the floating charge contained in the Legal Mortgage into a fixed charge as regards such Secured Property as the Security Trustee may specify (whether generally or specifically) in that notice (i) if the Security Trustee considers (in its reasonable opinion) that it would be desirable to do so in order to protect, preserve or supplement the charges over the Secured Property or the priority of those charges or (ii) an Event of Default has occurred and is continuing, or both, **provided that** the floating charge contained in the Legal Mortgage may not be converted into a fixed charge solely by reason of the obtaining of a moratorium, or anything done with a view to obtaining a moratorium, as a preliminary to a creditors voluntary arrangement, by an eligible company (as determined in Schedule A1 of the Insolvency Act) under the Insolvency Act

3 2 Automatic conversion

If, without the prior written consent of the Security Trustee, (i) the Subsidiary creates any Security over any of the Secured Property not expressed to be subject to a fixed charge under the Legal Mortgage, or attempts to do so, or (ii) if any person levies or attempts to levy any distress, attachment, execution or other legal process against any of such Secured Property, or (iii) if any steps are taken for the appointment of, or notice is given of intention to appoint, or a petition is filed or application is made, or a competent court makes an order for the appointment of an

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administrator, in relation to the Subsidiary, or (iv) if the Security Trustee reasonably considers the Secured Property to be in jeopardy in any respect then the floating charge created by the Legal Mortgage over the Secured Property, the subject of such Security or process will automatically, without notice, be converted into a fixed charge as soon as such event occurs, **provided that** the floating charge contained in the Legal Mortgage may not be converted into a fixed charge solely by reason of the obtaining of a moratorium, or anything done with a view to obtaining a moratorium, as a preliminary to a creditors voluntary arrangement, by an eligible company (as determined by Schedule A1 of the Insolvency Act) under the Insolvency Act

4 Negative Pledge

The Subsidiary covenants and agrees

- (a) that the mortgage, and charge referred to in sub-clauses 3 1(a) and (b) of the Legal Mortgage shall rank respectively as a first legal mortgage and first fixed equitable charge and that the floating charge contained in sub-clause 3 1(c) of the Legal Mortgage shall rank as a first floating charge and further that it is a term of the Legal Mortgage that it will not, without the prior consent in writing of the Agent
 - (i) create or attempt to create or permit to subsist any Security Interest or permit any other proprietary right or interest to arise on or affect the Secured Property or any part of it or any interest in it, or
 - (ii) part with possession of, transfer, sell, lease or otherwise dispose of the Secured Property or any part of it or any interest in it or attempt or agree so to do whether by a single or a series of transactions save that this provision shall not apply to such of the Secured Property as is charged pursuant to sub-clause 3 1(c) of the Legal Mortgage only and not otherwise where any such disposals are made in the ordinary course of trading as it is now conducted for full value and for the purpose of carrying on its business

This is Annexure C referred to in Form 155(6)(b) declared by the directors of the company on 2008

Signed

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

ANNEXURE D

Definitions

In this form 155(6)b (including its annexures) the following expressions have the following meanings

"Accession Letter" means a document substantially in the form set out in Schedule 7 (Form of Accession Letter) of the Facility Agreement,

"Accounting Principles" means generally accepted accounting principles in the United Kingdom and/or the international accounting standards including IFRS,

"Acquisition" means the acquisition by the Parent of the Target Shares on the terms of the Acquisition Documents,

"Acquisition Agreement" means the share purchase agreement dated on or about the date of this Agreement relating to the sale and purchase of the Target Shares and made between the Parent and the Sellers,

"Acquisition Documents" means the Acquisition Agreement, the Disclosure Letter and any other document designated as an "Acquisition Document" by the Agent and the Parent,

"Additional Borrower" means a company which becomes a Borrower (as defined in the Facility Agreement), in accordance with clause 25 (Changes to the Obligors) of the Facility Agreement,

"Additional Guarantor" means a company which becomes an additional guarantor in accordance with Clause 25 (Changes to the Obligors) of the Facility Agreement,

"Agreement" means the Facility Agreement (including any schedule or annexure to it),

"Assets" mean the whole of the property or undertaking (including uncalled share capital) which is or may from time to time be comprised in the property and undertaking of (amongst others) the Subsidiary,

"Banks" has the same meaning given to it in the Intercreditor Agreement,

"Book Debts" means

- (a) all book and other debts in existence from time to time (including, without limitation, any sums whatsoever owed by banks or similar institutions), both present and future, due, owing to or which may become due, owing to or purchased or otherwise acquired by (where relevant) the Subsidiary, and
- (b) the benefit of all rights whatsoever relating to the debts referred to above including, without limitation, any related agreements, documents, rights and remedies (including, without limitation, negotiable or non-negotiable instruments, guarantees, indemnities, legal and equitable charges, reservation of proprietary rights, rights of tracing, unpaid vendor's liens and all similar connected or related rights and assets),

"Borrower" has the meaning given to it in the Facility Agreement,

"CapEx Facility" means the capital expenditure loan facility made available under the Facility Agreement as described in sub-clause 2 1 1(c) of clause 2 1 (The Facilities) of the Facility Agreement,

"CapEx Facility Commitment" has the meaning given to it in the Facility Agreement,

"CapEx Loan" means a loan made or to be made under the CapEx Facility or the principal amount outstanding for the time being of that loan,

"CapEx Repayment Date" has the meaning given to it in the Facility Agreement,

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

"Closing Date" means the date on which Completion occurs,

"Collateral Instrument" means any note, bill of exchange, certificate of deposit and other negotiable and non negotiable instrument, guarantee, indemnity and other assurance against financial loss and any other document or instrument which contains or evidences an obligation (with or without security) to pay, discharge or be responsible directly or indirectly for, any indebtedness or liabilities, of (amongst others) the Subsidiary or any other person liable from time to time and includes each of the Security Documents,

"Commitment" means a Facility A Commitment, a Facility B Commitment or a CapEx Facility Commitment

"Completion" means the completion of the Acquisition in accordance with the Acquisition Agreement,

"Compliance Certificate" means a certificate substantially in the form set out in Schedule 9 (Form of Compliance Certificate) of the Facility Agreement,

"Constitutional Documents" means the memorandum and articles of the Subsidiary,

"Creditors" means each Finance Party and each Subordinated Creditor,

"Creditor Accession Deed" means a deed substantially in the form set out in Schedule 2 of the Intercreditor Agreement under which a Creditor becomes a part to the Intercreditor Agreement

"Deeds" has the meaning given to it in the Legal Mortgage,

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

"Derivative Assets" means all stocks, shares, warrants or other securities, rights, dividends, interest or other property accruing, offered, issued or deriving at any time by way of dividend, bonus, redemption, exchange, purchase, substitution, conversion, consolidation, subdivision, preference, option or otherwise attributable to any of the Shares or any Derivative Assets previously described,

"Disclosure Letter" has the meaning given to that term in the Acquisition Agreement,

"Distribution" means any dividend, redemption or distribution of assets by a Group Company to its shareholders whether in case or otherwise on account of capital or income, including any payment to shareholders by way of a management or advisory fee or charge,

"Equitably Charged Property" means all estates or interests in any freehold and leasehold property (other than such property effectively mortgaged under sub-clause 3 1(a) of the Legal Mortgage now and at any time during the continuance of the Legal Mortgage belonging to or charged to (where relevant), the Subsidiary and all licences now or after the date of the Legal Mortgage held by (amongst others) the Subsidiary to enter upon or use land and the benefit of all other Deeds relating to land to which the Subsidiary is or may become a party or otherwise entitled and all buildings fixtures (including trade and tenant's fixtures) and fixed plant and machinery owned by the Subsidiary and from time to time in or on any freehold or leasehold property an interest in which is charged or mortgaged under the Legal Mortgage,

"Event of Default" means any event or circumstance specified as such in clause 23 of the Facility Agreement,

"Facility" means a Term Facility, the Working Capital Facility and the CapEx Facility (the **"Facilities"**) shall be construed accordingly,

"Facility A" means the term loan facility made available under the Facility Agreement as described in sub-clause 2 1 1(a) of clause 2 1 (The Facilities) of the Facility Agreement,

"Facility A Commitment" means

- (a) in relation to an Original Lender, the amount in Sterling set opposite its name under the heading "Facility A Commitment" in Part II or Part III of Schedule 1 (The Original Parties) of the Facility Agreement and the amount of any other Facility A Commitment transferred to it under the Facility Agreement, and
- (b) in relation to any other Lender, the amount in Sterling of any Facility A Commitment transferred to it under the Facility Agreement,

to the extent not cancelled, reduced or transferred by it under the Facility Agreement,

"Facility A Loan" means a loan made or to be made under Facility A or the principal amount outstanding for the time being of that loan,

"Facility A Repayment Date" means as defined in the Facility Agreement,

"Facility B" means the term loan facility made available under the Facility Agreement as described in sub-clause 2 1 1(b) of clause 2 1 (The Facilities) of the Facility Agreement,

"Facility B Commitment" means

- (a) in relation to an Original Lender, the amount in Sterling set opposite its name under the heading "Facility B Commitment" in Part II or Part III of Schedule 1 (The Original Parties) and the amount of any other Facility B Commitment transferred to it under the Facility Agreement, and
- (b) in relation to any other Lender, the amount in Sterling of any Facility B Commitment transferred to it under the Facility Agreement,

to the extent not cancelled, reduced or transferred by it under the Facility Agreement,

"Facility B Loan" means a loan made or to be made under Facility B or the principal amount outstanding for the time being of that loan,

"Facility B Repayment Date" has the meaning given to it in the Facility Agreement,

"Fee Letter" means any letter or letters dated on or about the date of the Facility Agreement between the Arranger and the Parent (or the Agent and the Parent or the Security Trustee and the Parent) setting out any of the fees referred to in clause 13 (Fees) of the Facility Agreement,

"Final Discharge Date" has the meaning given to it in the Intercreditor Agreement,

"Finance Document" means the Facility Agreement, the Mandate Letter, any Accession Letter, any Intra Group Loan Agreement, any Working Capital Facility Letter, the Security Trust Deed, any Compliance Certificate, any Fee Letter, any Hedging Agreement, the Intercreditor Agreement, any Resignation Letter, any Selection Notice, any Security Document, any Utilisation Request and any other document designated as a "Finance Document" by the Agent and the Parent and "Finance Documents" shall mean any two or more of them,

"Finance Lease" means any lease, hire agreement, credit sale agreement, hire purchase agreement, conditional sale agreement or instalment sale and purchase agreement which should be treated in accordance with SSAP 21 (or any successor to SSAP 21) as a finance lease or in the same way as a finance lease,

"Finance Party" means the Agent, the Arranger, the Security Trustee, a Lender or a Hedge Counterparty (and together the **"Finance Parties"**),

"Financial Indebtedness" means any indebtedness for or in respect of (without double counting)

- (a) moneys borrowed or raised including capitalised interest,

- (b) any amount raised by acceptance under any acceptance credit facility,
- (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 (including a Finance Lease) which would, in accordance with Accounting Principles, 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, including but not limited to any sale or leaseback transaction,
- (g) any amount of redeemable preference shares or similar financial instruments (excluding any shareholder loans) which in any case are redeemable or repayable prior to the final Repayment Date,
- (h) 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),
- (i) 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,
- (j) any liability for the acquisition cost of assets or services payable on deferred payment terms where (i) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset in question or (ii) the period of deferment is more than 60 days past the period customarily allowed for payment, and
- (k) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (j) above

"Fixed Charge Asset" means an asset for the time being comprised within a mortgage, fixed charge or assignment by way of security created by clause 4 (Security) of the Debenture and Guarantee, or (with effect from the date of its creation) any security created pursuant to clause 7 (Further Assurance) of the Debenture and Guarantee,

"Fixtures" means all assets of whatsoever nature, apart from land and buildings, forming part of any freehold or leasehold property owned by (where relevant) the Subsidiary and deemed by law to be Immovable Property other than tenant's fixtures,

"Group" means the Parent, the Target and each of their respective subsidiaries for the time being and **"Group Company"** and **"Member of the Group"** shall be construed accordingly,

"Guarantor" means an Original Guarantor or an Additional Guarantor, unless it has ceased to be a Guarantor in accordance with clause 25 (Changes to the Obligors) of the Facility Agreement,

"Hedge Counterparty" means a person which has become a party to the Intercreditor Agreement as a Hedge Counterparty in accordance with the provisions of the Intercreditor Agreement,

"Hedging Arrangements" means any and all interest rate management and/or foreign currency and/or other hedging arrangements entered into or committed to be entered into in respect of the Facility by any member of the Group as have from time to time been agreed in writing between the Parent and the Lender to constitute the Hedging Arrangements,

"Hedging Documents" means the Hedging Strategy Letter and the documents detailing the terms of the Hedging Arrangements,

"Hedging Strategy" means

- (a) the novation of existing Hedging Documents and/or Hedging Arrangements of any Group Company with the Borrowers of the Facilities in order to hedge a minimum of sixty seven per cent (67%) of the Loans, and
- (b) any further hedging strategy more specifically detailed in the Hedging Strategy Letter

"Hedging Strategy Letter" means a letter between the Parent and the Lender in the agreed form dated on or before the date of the Facility Agreement (and executed by the Parent) setting out the Hedging Strategy,

"Intellectual Property Rights" means all the subsisting patents and subsisting rights of a similar nature held in any part of the world, applications for patents and such rights, divisions and continuations of such applications for patents, registered and unregistered trade marks, registered and unregistered service marks, registered designs, utility models (in each case for their full period and all extensions and renewals of them), applications for any of them and the right to apply for any of them in any part of the world, inventions, confidential information, know-how, business names, trade names, brand names, copyright and rights in the nature of copyright, design rights and get-up and any similar rights existing in any country, and the benefit (subject to the burden) of any and all agreements, arrangements and licences in connection with any of the foregoing,

"Immovable Property" has the meaning given to it in the Debenture and Guarantee,

"Intercompany Creditor" means those companies set-out in Part 1 of Schedule 1 (Creditors and Lenders) of the Intercreditor Agreement, together with each party that accedes to the Intercreditor Agreement as an Intercompany Creditor and any Group Company that has not granted Security,

"Intercompany Debt" means all money and liabilities now or in the future due, owing or incurred to any Intercompany Creditor by any Group Company in any currency, whether actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety, together with all accruing interest and all related costs, charges and expenses,

"Investment Agreement" has the meaning given to it in the Facility Agreement,

"Investor Debt" means all money and liabilities now or in the future due, owing or incurred to any Investor by the Parent or any of its Subsidiaries in any currency, whether actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety, together with all accruing interest and all related costs, charges and expenses but excluding all Investor Fees,

"Investor Documents" means the Investment Agreement the Investor Loan Note Instrument, the Investor Loan Notes, the articles of association of the Parent and any other document or agreement (including constitutional documents) providing for the payment of any amount by the Parent or any of its subsidiaries to an Investor including any document constituting additional Investor Debt,

"Investor Loan Note Instrument" means the loan note instrument dated on or about the date of the Intercreditor Agreement by which the Parent constitutes the Investor Loan Notes,

"Investor Loan Notes" has the meaning given to it in the Intercreditor Agreement,

"Investors" means

- (a) the institutions listed in Part 4 of Schedule 1 of the Intercreditor Agreement,
- (b) the individuals listed in Part 5 of Schedule 1 of the Intercreditor Agreement, and
- (c) each party that enters into a Creditor Accession Deed as a new Investor (each a **"New Investor"**),

"Investor Security Documents" has the meaning given to it in the Intercreditor Agreement,

"Keyman Insurance" means a key-man life assurance policy for a term of cover not less than 6 years (in form and substance reasonably satisfactory to the Agent and with such insurer as the Agent may reasonably approve) taken out and maintained by the Parent in respect of the death or disability or critical illness of the following members of the Management (and, following consultation with the Parent, any additional or replacement individual) and in not less than the following respective amounts

Name	Cover Amount (£)
Graham Lomer	£1,000,000
Richard Clough	£1,000,000
David Bates	£1,000,000

and **"Keyman Policies"** shall be construed accordingly,

"Keyman Insurance Assignment" means an assignment in the agreed form relating to the Keyman Insurance executed or to be executed by the Parent in favour of the Security Trustee,

"Legally Mortgaged Property" means all of the freehold and leasehold property now vested in (amongst others) the Subsidiary including but not limited to the properties short particulars of which are set out in Schedule 3 of the Legal Mortgage and all buildings and fixtures (including trade fixtures, tenant's fixtures and fixed plant and machinery) now or after the date of the Legal Mortgage from time to time in or on it but excluding all land in Scotland,

"Lender" means

- (a) any Original Lender, and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with clause 29 (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,

"Loan" means a Term Loan or a Capex Loan,

"Management" means each and all of Graham Lomer, Richard Clough and David Bater,

"Mandate Letter" means the letter dated on or about the date hereof between the Arranger and the Parent,

"Material Contracts" means all (where relevant) rights, title, interest and benefit in and to any contract in respect of the whole or any part of the Charged Property to which the Subsidiary is a party,

"Mortgagor's Obligations" means all present and future indebtedness, monies, obligations and liabilities (in whatever currency denominated, whether actual or contingent and whether owed jointly or severally or as principal debtor, guarantor, surety or otherwise or as the equivalent obligor under the laws of any other jurisdiction including any liability in respect of any further advances made under the Finance Documents) of each Group Company to the Bank and the Finance Parties under the Finance Documents (including the Debenture and Guarantee),

"New Money Commitments" means credit facilities (or other facilities under which credit exposures may arise) provided by any Finance Party to a Group Company after the date of the Intercreditor Agreement in addition to those which the Finance Parties are committed to provide under the Finance Documents in force as at the date of the Intercreditor Agreement (but credit exposures in relation to any Hedging Document entered into after the date of the Intercreditor Agreement will not be New Money Commitments),

"Obligations" means all monies, obligations and liabilities referred to in sub-clause 2.1 of the Legal Mortgage together with all other conditions, covenants and obligations of the Parent contained in the Legal Mortgage and in the Facility Agreement,

"Obligors" means each Borrower and each Guarantor, each party that executes an Obligor Accession Deed and each other Group Company which has any obligation to any Finance Party under any Finance Document,

"Obligor Accession Deed" means a deed substantially in the form set out in Schedule 3 of the Intercreditor Agreement under which a Group Company becomes party to the Intercreditor Agreement as an Obligor,

"Occupational Leases" mean all leasehold interests and other occupational rights whatsoever (including, without limitation, all licences and agreements for leases) in existence from time to time relating to the whole or any part of the Property, the immediate reversion to which is vested in the Subsidiary,

"Original Guarantors" means the Parent and those companies whose names and registered company numbers are set out as Original Guarantors in Part 1 of Schedule 1 of the Facility Agreement,

"Original Obligor" means the Parent or an Original Guarantor,

"Party" means a party to the Facility Agreement,

"Permitted Financial Indebtedness" has the meaning given to it in the Facility Agreement,

"Permitted Junior Payments" means

- (a) any Distribution which is to a Group Company, or
- (b) any Advance (as defined in the Intra Group Loan Agreement) or repayment of an Advance by a Group Company in accordance with the terms of the Intra Group Loan Agreement,

"Permitted Loan" has the meaning given to it in the Facility Agreement,

"Permitted Security" means

- (a) any lien arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any Member of the Group,
- (b) 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 of members of the Group (including an overdraft facility comprising more than one account) but only so long as (i) such arrangement does not permit credit balances of Obligors to be netted or set off against debit balances of members of the Group which are not Obligors and (ii) such arrangement does not give rise to other Security over the assets of Obligors in support of liabilities of members of the Group which are not Obligors except, in the case of (i) and (ii) above, to the extent such netting, set-off or Security relates to, or is granted in support of, a loan permitted pursuant to paragraph (f) of the definition of "Permitted Loan",
- (c) any Security over or affecting any asset acquired by a member of the Group after the Closing Date if
 - (i) the Security was not created in contemplation of the acquisition of that asset by a Member of the Group,
 - (ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that asset by a Member of the Group, and
 - (iii) the Security is removed or discharged within 3 months of the date of acquisition of such asset,
- (d) any Security over or affecting any asset of any company which becomes a member of the Group after the Closing Date, where the Security is created prior to the date on which that company becomes a member of the Group if
 - (i) the Security was not created in contemplation of the acquisition of that company,

- (ii) the principal amount secured has not increased in contemplation of or since the acquisition of that company, and
- (iii) the Security is removed or discharged within 3 months of that company becoming a Member of the Group,
- (e) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Group in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any Member of the Group,
- (f) any Security (existing as at the date of this Agreement) over assets of any member of the Target Group so long as the Security is irrevocably removed or discharged by no later than the Closing Date,
- (g) any Security arising as a consequence of any finance or capital lease permitted pursuant to paragraph (d) of the definition of "Permitted Financial Indebtedness", or
- (h) any Security securing indebtedness the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other indebtedness which has the benefit of Security given by any member of the Group other than any permitted under paragraphs (a) to (i) above) does not exceed £250,000 (or its equivalent in other currencies)

"Plant and Machinery" means all plant and machinery, equipment, fittings, installations and apparatus, tools, motor vehicles and all other similar assets (other than Fixtures), wherever they are situated, which are now, or at any time after the date of the Debenture and Guarantee become, the property of, (where relevant) the Subsidiary,

"Property" means all estates and other interests in any freehold, leasehold or other immovable property (including, without limitation, all Fixtures on such property), but excluding any interest in land in Scotland, which are now, or at any time after the date of the Debenture and Guarantee become, the property of the Subsidiary, all proceeds of sale derived from such property and the benefit of all covenants to which the Subsidiary is entitled in respect of such property, and **"Properties"** shall be construed accordingly,

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

"Repayment Date" means a Facility A Repayment Date, a Facility B Repayment Date or a CapEx Facility Repayment Date,

"Resignation Letter" means a letter substantially in the form set out in Schedule 8 (Form of Resignation Letter) of the Facility Agreement,

"Rights" mean all of the Subsidiary's rights, title and interest from time to time in any lease, licence or occupational right whatsoever together with the entire benefit of (where relevant) the Subsidiary's rights, title and interest from time to time in any renewal of, replacement of or variation to any such lease, licence or occupational right (including, without limitation, all its rights, title and interest in any Occupational Lease, agreement for any Occupational Lease and any associated agreements which may be granted by the Subsidiary or any person deriving title from the Subsidiary from time to time over or in respect of the whole or any part of the Property and any other properties (freehold or leasehold) in which the Subsidiary has an interest),

"Scheduled Property" means all the property short particulars of which are set out in Schedule 2 (the Scheduled Property) of the Debenture and Guarantee (if any), including, without limitation, all Fixtures on such property,

"Secured Liabilities" means all money, debts, obligations and liabilities from time to time due, owing or incurred by (amongst others) the Subsidiary or any of them to any Finance Party or their assignee or successor on any current or other account whatever or otherwise in any manner whatever, in each case

- (a) under each Finance Document as amended, varied, restated, supplemented, substituted, replaced or novated to which the Subsidiary is a party,
- (b) whether present or future,
- (c) whether alone or jointly with any other person,
- (d) whether actual or contingent,
- (e) whether as principal or as surety,
- (f) whether express or implied,
- (g) in whatever name, form or style,
- (h) in whatever currency it is denominated,
- (i) whether originally owing to the Finance Party or purchased or otherwise acquired by the Finance Party, its assignee or successor, or
- (j) otherwise,

including, without limitation

- (a) all liabilities under or in connection with foreign exchange transactions, interest rate swaps and other arrangements entered into for the purpose of limiting exposure to fluctuations in interest or exchange rates,
- (b) all liabilities arising from the issue, acceptance, endorsement, confirmation or discount of any negotiable instruments, notes, bills, bonds, guarantees, indemnities, documentary or other credits or any instruments of any kind from time to time entered into by the Finance Party for or at the request of (where relevant) the Subsidiary, and
- (c) interest (which will accrue after as well as before any judgment) to the date of payment at such rates and upon such terms as may from time to time be agreed and all commission, fees and other charges and all legal and other costs, charges and expenses on a full and unqualified indemnity basis which are incurred by the Finance Party in connection with the Secured Liabilities or generally in respect of the Subsidiary or the Security Documents (including, without limitation, legal fees) on a full indemnity basis,

but excluding any obligation which, if it were included, would result in the Debenture and Guarantee contravening Section 151 of the Companies Act 1985 (as amended)

"Secured Parties" means each Finance Party from time to time a party to the Facility Agreement, any Receiver or Delegate,

"Secured Property" means all the real, personal and/or incorporeal property mortgaged or charged by the Legal Mortgage including, without limitation, the Legally Mortgaged Property (as defined in sub-clause 3 1(a) of the Legal Mortgage) the Equitably Charged Property (as defined in sub-clause 3 1(b) of the Legal Mortgage) and the Property Charged by way of Floating Charge (as defined in sub-clause 3 1(c) and 3 2 of the Legal Mortgage),

"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 Documents" means the Debenture and Guarantee, the Legal Mortgage, the Keyman Insurance Assignment and every other document entered into in favour of the Lenders or the Security Trustee creating

guarantees or creating Security for the obligations of the Group or any Member of the Group to the Lenders from time to time,

"Security Period" means the period whilst all outstanding debt is payable to the Bank,

"Security Trust Deed" means the security trust deed entered into on or about the date of the Facility Agreement between the Security Trustee, the Agent and the Obligors,

"Sellers" means the sellers of the Target Shares as set out in the Acquisition Agreement,

"Senior Security Documents" means the Security Documents (as defined in the Facility Agreement) and all other documents creating or evidencing any Security for the benefit of any Senior Finance Party in respect of the obligations of any Obligor under any Finance Document,

"Shares" mean the shares listed in Schedule 3 (The Shares) to the Debenture and Guarantee,

"Sterling" means "Sterling" or "£" or the lawful currency for the time being of the United Kingdom,

"Subordinated Creditor" means each Investor and each Intercompany Creditor,

"Subordinated Debt" means all of the Investor Debt and the Intercompany Debt,

"Subsidiary" means a subsidiary within the meaning of section 736 of the Companies Act 1985 (and together the **"Subsidiaries"**),

"Target" means Healthcare Homes Group Limited, a company incorporated under the law of England and Wales with registered number 05507277,

"Target Group" means the Target and its subsidiaries,

"Target Shares" means all of the shares of Target and all warrants and options in respect of the share capital of Target,

"Term Facility" means Facility A or Facility B,

"Term Loan" means a Facility A Loan or a Facility B Loan and such term shall refer to any or all of them,

"Transaction Documents" means the Finance Documents, the Acquisition Documents, the Investment Documents and the Constitutional Documents,

"Transaction Security" means the security created or expressed to be created in favour of the Security Trustee pursuant to the Security Documents,

"Utilisation" means a utilisation of a Loan,

"Utilisation Request" means a notice substantially in the relevant form set out in Part I of Schedule 3 (Requests) of the Facility Agreement,

"Vendors" means August Equity Partners LLP, acting through its general partner, August Equity Partners IVGP Limited, Richard Stanley Clough, Graham Charles Lomer, David John Bates and Charles Cairns Auld,

"Working Capital Facility" means a £2,000,000 overdraft facility to be made available to certain members of the Group setting out the terms of any Working Capital Facility Letter,

"Working Capital Facility Letter" means any agreement or letter between a Lender and certain members of the Group setting out the additional terms and conditions on which a Lender is making an overdraft facility available to the relevant Group Company or Group Companies (as the case may be) as the same may be supplemented, amended, varied or replaced from time to time,

These are the Annexures A to D referred to in form 155(6)b declared by the directors of the Company at 10 Queen Street Place, London EC4R 1BE on 3 APRIL 2008

Signed



Solicitor



The Directors
Healthcare Homes Group Limited
Lodge House
Lodge Lane
Langham
Colchester
Essex
C04 5NE

3 April 2008

Dear Sirs

Report of the Independent Auditor to the directors of Healthcare Homes Group Limited (the "Company") pursuant to Section 156(4) of the Companies Act 1985

We report on the attached statutory declaration dated 3 April 2008, prepared pursuant to the Companies Act 1985, in connection with the proposal that the Company's subsidiary undertaking, Beaumont Park Limited, should give financial assistance for the purpose of refinancing certain obligations incurred in connection with the acquisition of Healthcare Homes (Central) Limited in 2005. This report, including the opinion, has been prepared for and only for the Company and the Company's directors in accordance with Section 156 of the Companies Act 1985 and for no other purpose. We do not, in giving the opinion set out below, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 statutory 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



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors