

Company Number: 6445624

SOUTHERN CROSS (MANOR HALL) PROPCO LIMITED

("Company")

Minutes of the Meeting of the Board of Directors of the Company held by telephone (in accordance with the Company's Articles of Association) on *14* May 2010 at *7.45am/pm*

PRESENT: Richard Midmer (Chairman)

Janne Bowcher

1. CHAIRMAN, NOTICE AND QUORUM

Richard Midmer was appointed Chairman of the meeting. Notice of the meeting had been given in accordance with the Company's articles of association and a quorum was present.

2. BACKGROUND

The meeting had been called to consider and approve the documents relating to the proposed Amendment and Restatement Agreement (as defined below) pursuant to which, among other things, the Facility A will be cancelled and the Revolving Facility Commitment increased, and certain financial covenants and the Margin (as defined in the Facilities Agreement, defined below) will be amended.

It was noted that the Company's parent, Southern Cross Healthcare Group Plc ("**Parent**") and certain of the Parent's subsidiaries ("**SX Group**") (including the Company) were parties to a facilities agreement dated 6 June 2007 with, amongst others, Barclays Capital as arranger and bookrunner, the financial institutions listed therein as original lenders and Barclays Bank PLC as agent and in various capacities ("**Facilities Agreement**") as assigned, transferred, modified, amended, novated, supplemented, extended, restated and/or replaced from time to time including as amended and restated on 29 February 2008 and as further amended on 27 June 2008, 24 July 2008 and 15 August 2008 and further amended and restated on 30 October 2008, 16 December 2008 and 8 May 2009 and as further amended on 6 November 2009.

The Chairman reported that the Parent had agreed to amend the Facilities Agreement to set out the terms upon which, among other things, certain financial covenants and the Margin would be amended and revolving credit and letter of credit facilities would be made available to the Borrowers. The Company was required to enter into an agreement to amend and restate the Facilities Agreement (the "**Amendment and Restatement Agreement**") The Facilities Agreement as amended and restated by the Amendment and Restatement Agreement is herein referred to as the "**Amended and Restated Facilities Agreement**".

3. DOCUMENTS

The Amendment and Restatement Agreement, the Amended and Restated Facilities Agreement, an arrangement fee letter and an agency fee letter (the "**Fee Letters**"), and an amendment to the intercreditor agreement dated 16 December 2008 (the "**Intercreditor Amendment Agreement**", together with the Fee Letters, the Amendment and Restatement Agreement and the Amended and Restated Facilities Agreement, the "**Documents**") were produced at the Meeting.



4. PURPOSE OF THE MEETING

4 1 The Chairman reported that the primary purpose of this Meeting was to

4 1 1 consider the terms of the Documents and, if thought fit, approve the entry by the Company into the Documents to which it is a party together with the transactions proposed therein so far as they are relevant to the Company, and

4 1 2 approve and endorse the compliance by the Company with its obligations under the Documents to which it is a party

4 2 The directors considered the Documents and also considered their duties as directors pursuant to sections 171-176 of the Companies Act 2006 ("**2006 Act**") and in particular their duty to promote the success of the Company for the benefit of its members as a whole pursuant to section 172 of the 2006 Act. In considering their duty to promote the success of the Company the directors had particular regard to (amongst other things) the likely consequences of any decision in the long term and the desirability of the Company maintaining a reputation for high standards of business conduct

5. DIRECTORS' INTERESTS

5 1 In accordance with section 177 of the 2006 Act and the Company's articles of association, all of the directors present declared, where applicable, their respective personal interests in the transaction and accordingly in the Amendment and Restatement Agreement including their interests as directors of each of the other Obligors and as shareholders of certain of those Obligors

5 2 In accordance with the Company's articles of association, notwithstanding their declared interests, the directors were entitled to vote and count in the quorum of the meeting

6. CONSIDERATION OF THE DOCUMENTS

6 1 The Documents produced to the meeting were carefully considered. The impact on the Company, its subsidiaries (if any) and the SX Group of the proposed restructuring in the short and long term were also discussed

6 2 It was agreed that the execution and performance by the Company of the Documents to which the Company is a party would promote the Company's success for the benefit of its members as a whole. In particular, the directors considered the cash flow position of the Company when determining whether the Company should execute and perform its obligations under the Documents to which it is a party. The directors agreed that in their view the Company is able to pay its debts as they fall due within the meaning of section 123(1)(e) of the Insolvency Act 1986 and will remain so immediately after its execution of the Documents to which it is a party

6 3 The terms of the Documents were carefully considered. It was noted that the Amended and Restated Facilities Agreement contains a guarantee pursuant to which the Guarantors (as defined therein) (including the Company) guarantee the liabilities of each other Obligor (as defined therein) to the Finance Parties (as defined therein) and it was noted that the Company's execution of the Amendment and Restatement Agreement confirms that such guarantee will continue. It was also noted that certain provisions of the Facilities Agreement would be amended by the entry into the Amendment and Restatement Agreement

7. EXECUTION AND DELIVERY OF RELEVANT DOCUMENTS

THE DIRECTORS RESOLVED THAT:

- 7 1 1 The entry by the Company into the Documents to which it is a party and the transactions contemplated by such documents would promote the success of the Company for the benefit of its members as a whole,
- 7 1 2 The terms of, and the transactions contemplated by, the Documents were approved by the Company and the Company would execute, deliver and perform the Documents to which it is a party,
- 7 1 3 Any director of the Company or duly appointed attorney for a director ("Attorney") or the Parent (as Obligors' Agent) or (in the case of any document to be executed as a deed) any two directors, any director and the Secretary of the Company, any director duly witnessed or any Attorney duly witnessed were authorised to
- 7 1.3 1 execute on behalf of the Company the Documents to which the Company is a party (with any amendments approved by any director of the Company or an Attorney or the Parent (as Obligor's Agent)),
- 7 1 3 2 execute on behalf of the Company any other document which may be required in connection with the Amendment and Restatement Agreement (including any certificate, notice or other document required by the Amendment and Restatement Agreement or the Amended and Restated Facilities Agreement and including, if relevant, a utilisation request), and
- 7 1 3 3 do all such acts considered expedient in connection with the execution of, or performance by the Company of obligations under the Documents to which it is a party

8. FILING

The secretary was instructed to complete appropriate entries in the books of the Company and to arrange for all necessary forms to be completed and filed with the Registrar of Companies

9. CONCLUSION

There being no further business the meeting closed



Chairman