

# 155(6)a

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

Company number

Name of company

06182008

XWe Sandra Louise Gumm of 405 Butlers Wharf, 36 Shad Thames, London SE1 2YE

Timothy James Evans of 85 High Street, Needingworth, Cambridge PE27 4SJ

Nicholas Mark Leslau of 20 Upper Brook Street, London W1K 7PX

~~XXXXXXXXXXXX~~ [all the directors] † of the above company do solemnly and sincerely declare that

§ delete whichever  
is inappropriate

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XXXXXXXXXX0000000000000000000000000000XXXXXXXdebeadn0xxxxxakn09sk00xx$
XXXXXXXXXXan0000000000000000000000000000XXXXXXdebn00000000000000000000
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~~XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX~~

(c) something other than the above §

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

~~XXXXXX~~ [company's holding company UK Healthcare Properties Limited

The assistance is for the purpose of [that acquisition] XX

XXXXXXXXXXXXX +

The number and class of the shares acquired or to be acquired is 7,000 Ordinary shares of £1  
each

THURSDAY



\*A877HPTV\*

A06

24/05/2007

702

COMPANIES HOUSE

41 London London - Chancery  
4840949

The assistance is to be given to (note 2) P1 Hospital Holdings Limited, whose registered  
address is Cavendish House, 18 Cavendish Square, London W1G 0PJ

Please do not  
write in this  
margin

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

The assistance will take the form of

See Schedule 1

The person who ~~has assumed~~ [will acquire] † the shares is

† delete as  
appropriate

P1 Hospital Holdings Limited, whose registered address is Cavendish House, 18  
Cavendish Square, London W1G 0PJ

The principal terms on which the assistance will be given are

See Schedule 2

The amount of cash to be transferred to the person assisted is £ See Schedule 3

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 the date hereof



## **SCHEDULE 1**

### **to Form 155(6)a**

#### **The Form of the Financial Assistance**

##### **1. Definitions**

If not otherwise defined in these Schedules 1, 2 and 3, the following expressions have the following meanings

**Accounting Principles** means the accounting principles, policies, standards, bases and practices which, at any relevant time, are generally accepted in the United Kingdom and approved by the Institute of Chartered Accountants of England and Wales,

**Acquisition Documents** means

- (a) the Sale and Purchase Agreement, and
- (b) the Option Agreement,

**Act** means the Law of Property Act 1925,

**Additional Chargor** means a member of the Group which becomes a Chargor by executing a deed of accession to the Security Agreement,

**Additional Guarantor** means any member of the Group which becomes a Guarantor in accordance with Clause 28 7 (Additional Guarantors) of the Loan Agreement,

**Administrative Party** means the Mandated Lead Arranger or an Agent,

**Affiliate** means a Subsidiary or a Holding Company of a person or any other Subsidiary of that Holding Company,

**Agent** means the Facility Agent or the Security Agent,

**Agreement for Lease** means an agreement to grant an Occupational Lease of all or part of a Property,

**Borrower** means P1 Hospital Holdings Limited (company number 05863307),

**Business Plan** means the business plan in the agreed form dated on or about the date of the Loan Agreement provided as a condition precedent under the Loan Agreement,

**Chargor** means the Company and any Additional Chargor,

**Commitment** means

- (a) for an Original Lender, the amount set opposite its name in Schedule 1 (Original Parties) to the Loan Agreement under the heading "Commitments" designated Facility A, Facility B or Facility C and the amount of any other Commitment, as so designated, it acquires,
- (b) for any other Lender, the amount of any other Commitment it acquires,

in each case, to the extent not cancelled, transferred or reduced under the Loan Agreement,

**Debt** means any or all of the Senior Debt, the Hedging Debt, the Investor Debt and the Intercompany Debt, as the context requires,

**Default** means

- (a) an Event of Default, or
- (b) an event set out in Clause 21 (Default) of the Loan Agreement which would be (with the expiry of a grace period, the giving of notice or the making of any determination or any combination thereof in each case as specified in Clause 21 (Default)) an Event of Default,

**Drawdown Date** means each date on which a Loan is borrowed,

**Duty of Care Agreement** means the duty of care agreement to be entered into between the Managing Agent, the Borrower and the Facility Agent, in respect of the Managing Agent's duties and obligations regarding the Properties,

**Event of Default** means an event specified as such in Clause 21 (Default) of the Loan Agreement,

**Facility** means a credit facility made available under the Loan Agreement and when designated

- (a) **Facility A** means the term loan facility described in Clause 2 1 (Facility A) of the Loan Agreement,
- (b) **Facility B** means the term loan facility described in Clause 2 2 (Facility B) of the Loan Agreement, and
- (c) **Facility C** means the term loan Facility described in Clause 2 3 (Facility C) of the Loan Agreement

**Facility Agent** means the Governor and Company of the Bank of Scotland,

**Fee Letter** means any letter entered into by reference to the Loan Agreement between one or more Administrative Parties and the Borrower setting out the amount of certain fees referred to in the Loan Agreement,

**Final Maturity Date** means the seventh anniversary of the first Drawdown Date,

**Finance Document** means

- (a) the Loan Agreement,
- (b) a Security Document,
- (c) a Fee Letter,
- (d) a Transfer Certificate,
- (e) an Accession Agreement,

- (f) the Hedging Letter,
- (g) a Hedging Document,
- (h) the Priority Deed,
- (i) the Fund Turnover Letter, or
- (j) any other document designated as such by the Facility Agent and the Borrower,

**Finance Party** means a Lender, a Hedging Bank or an Administrative Party,

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

- (a) moneys borrowed,
- (b) any acceptance credit or bill discounting facility (including any dematerialised equivalent),
- (c) any bond, note, debenture, loan stock, loan note or other similar instrument,
- (d) any redeemable preference share to the extent redeemable at the option of the holder prior to the date falling 12 months after the Final Maturity Date,
- (e) any agreement treated as a finance or capital lease in accordance with the Accounting Principles,
- (f) receivables sold or discounted (otherwise than on a non-recourse basis),
- (g) the acquisition cost of any asset to the extent payable after its acquisition or possession by the party liable where the deferred payment is arranged primarily as a method of raising finance or financing the acquisition of that asset,
- (h) any derivative transaction protecting against or benefiting from fluctuations in any rate or price (and, except for non-payment of an amount, the then mark to market value of the derivative transaction will be used to calculate its amount),
- (i) any other transaction (including any forward sale or purchase agreement) which has the commercial effect of a borrowing,
- (j) any counter-indemnity obligation in respect of any guarantee, indemnity, bond, letter of credit or any other instrument issued by a bank or financial institution, or
- (k) any guarantee, indemnity or similar assurance against financial loss of any person in respect of any item referred to in the above paragraphs,

**Fund** means Prestbury 1 Limited Partnership,

**Fund Turnover Letter** means the letter dated on or about the date hereof pursuant to which the Fund agrees to turnover any amounts received under any of the Acquisition Documents to the Facility Agent,

**General Partner** means Prestbury General Partner LP, a limited partnership registered in Scotland pursuant to the Limited Partnerships Act 1907 acting by its general partner Prestbury General Partner Limited (company number SC299734),

**Group** means the Borrower and its Subsidiaries,

**Guarantor** means the Original Guarantors or any Additional Guarantor,

**Guernsey Partnership** means UK Healthcare Limited Partnership Incorporated, a limited partnership established under the laws of Guernsey,

**Hedging** means interest rate or currency swap, derivative transaction or hedging facility,

**Hedging Bank** means any bank or financial institution party to the Hedging Documents which is a party to the Priority Deed and a hedging counterparty,

**Hedging Bank** means each person (if any) named in Schedule 2 to the Priority Deed (Hedging Banks and Hedging Documents) and any other person which becomes a party to the Priority Deed as a Hedging Bank under Clause 12.1 (Accession of Hedging Banks) of the Priority Deed, in each case in its capacity as provider of Hedging to any of the Obligors,

**Hedging Debt** means all Liabilities of any Obligor to any Hedging Bank under or in connection with the Hedging Documents,

**Hedging Debt Guarantee** means any guarantee granted by The Governor and Company of the Bank of Scotland in favour of HBOS Treasury Services plc under which it guarantees the payment of any amounts due to HBOS Treasury Services plc under any Hedging Document,

**Hedging Documents** means any ISDA master agreement or other interest hedging agreements or documents which may be entered into with a Hedging Bank by a member of the Group as contemplated in the Hedging Letter,

**Hedging Letter** means a letter dated on or about the date of the Loan Agreement between the Borrower and the Facility Agent relating to the interest hedging to be effected by the Group in relation to the Facilities,

**Holding Company** of any other person, means a company in respect of which that other person is a Subsidiary,

**Initial Valuation** means the valuation prepared on or about the date hereof by CB Richard Ellis of the Properties and supplied to the Facility Agent as a condition precedent under the Loan Agreement on or before the Drawdown Date,

**Insolvency** means any winding-up, bankruptcy, liquidation, dissolution, administration, receivership, re-organisation, moratorium or judicial composition of or in respect of any Obligor or any analogous proceedings affecting any Obligor in any jurisdiction outside England and Wales,

**Insolvency Event** means any Event of Default specified in Clauses 21.6 to 21.8 (inclusive) of the Loan Agreement,

**Insolvent Obligor** means an Obligor in respect of which any of the Events of Default referred to in Clause 6.1 (Subordination Events) of the Priority Deed occurs,

**Intercompany Creditors** means each Obligor in its capacity as a creditor in relation to any Intercompany Debt,

**Intercompany Debt** means all Liabilities of any Obligor to any other Obligor

- (a) under or in connection with the Intercompany Documents, or
- (b) in respect of any Financial Indebtedness, including all Financial Indebtedness payable or owing by one Obligor to another Obligor,

but excluding in each case any trading liabilities arising in the ordinary course of business,

**Intercompany Debtors** means each Obligor in its capacity as a debtor in relation to, or who is liable for, any Intercompany Debt,

**Intercompany Documents** means all documents evidencing (or guaranteeing) any Financial Indebtedness payable or owing by one Obligor to another Obligor,

**Intercompany Loan Agreement** means the facility letter dated on or about the date of the Loan Agreement from the Company to Target and certain members of the Group whereby the Company makes available to Target a loan facility on the terms set out in section 5 of schedule 2,

**Intercompany Loans** means all Financial Indebtedness payable or owing by one member of the Group to another member of the Group,

**Investments** means

- (a) the Shares,
- (b) all other shares, stocks, debentures, bonds or other securities and investments included in the definition of Security Assets,
- (c) any dividend or interest paid or payable in relation to any of the above, and
- (d) any right, money or property accruing or offered at any time in relation to any of the above by way of redemption, substitution, exchange, bonus or preference under option rights or otherwise,

**Investor** means an Prestbury 1 Limited Partnership,

**Investor Debt** means all Liabilities of any Obligor to the Investor (or any of its Affiliates)

- (a) under or in connection with the Investor Documents, including any dividends or other distributions and any amount payable to any Investor on a liquidation or other Insolvency of any Obligor, or
- (b) in respect of any advisory, monitoring, management or other fees or expenses under or in connection with the Investor Documents,

**Investor Documents** means all documents evidencing (or guaranteeing) any Financial Indebtedness payable or owing by one Obligor to another Obligor



**Investor Loan Agreement** means the subordinated and unsecured loan agreement in the agreed form pursuant to which the Fund will make certain loans available to the Borrower,

**Junior Creditors** means at any time on or prior to the Senior Discharge Date, the Investor and the Intercompany Creditors,

**Junior Debt** means at any time on or prior to the Senior Discharge Date, the Investor Debt and the Intercompany Debt,

**Lease Document** means

- (a) a Leaseback Agreement, or
- (b) any other document designated as such by the Facility Agent and the Borrower

**Leaseback Agreement** means each lease agreement (in the form agreed and attached as a schedule to the Sale and Purchase Agreement) entered into prior to the closing between, amongst others

- (a) in relation to the Propco Properties, the Guernsey Partnership and Capio Healthcare Limited, and
- (b) in relation to the Lisson Grove Hospital, Lisson Fastighets Kommanditbolag and Florence Nightingale Hospitals Limited,

**Lender** means

- (a) an Original Lender, or
- (b) any person which becomes a Lender after the date of the Loan Agreement,

**Liability/Liabilities** means in relation to any document or agreement, any present or future liability (actual or contingent) payable or owing under or in connection with that document or agreement whether or not matured and whether or not liquidated, together with

- (a) any refinancing, novation, deferral or extension of that liability,
- (b) any claim for breach of representation, warranty, undertaking or on an event of default or under any indemnity in connection with that document or agreement,
- (c) any further advance made under any document or agreement supplemental to that document or agreement, together with all related interest, fees and costs,
- (d) any claim for damages or restitution in the event of rescission of that liability or otherwise in connection with that document or agreement,
- (e) any claim flowing from any recovery of a payment or discharge in respect of that liability on the grounds of preferences or otherwise, and
- (f) any amount (such as post-insolvency interest) which would be included in any of the above but for its discharge, non-provability, unenforceability or non-allowability in any Insolvency or other proceedings,

**Lisson Grove Hospital** means the properties listed in Schedule 13 (Properties) of the Loan Agreement with title numbers NGL669122 and NGL255448,

**Loan** means, unless otherwise stated in the Loan Agreement, the principal amount of each borrowing under the Loan Agreement or the principal amount outstanding of that borrowing and when designated

- (a) **Facility A** means a loan under Facility A,
- (b) **Facility B** means a loan under Facility B, and
- (c) **Facility C** means a loan under Facility C,

**Loan Agreement** means the £665,015,000 facility agreement dated on or about the date hereof entered into the Borrower (1), the Governor and Company of the Bank of Scotland as mandated lead arranger (2), the Original Lenders named therein (3) and the Governor and Company of the Bank of Scotland as Facility Agent and as Security Agent (4),

**Majority Lenders** means

- (a) at any time when there are Facility A Loans outstanding or undrawn Facility A Commitments or, in respect of sub-paragraph (iii) below, at any time after Facility A Commitments have been reduced to zero, Lenders
  - (i) whose share in the outstanding Facility A Loans then aggregate 66⅔ per cent or more of the outstanding Facility A Loans,
  - (ii) if there is no Facility A Loan outstanding, whose undrawn Facility A Commitments then aggregate 66⅔ per cent or more of the aggregate Facility A Commitments of all the Lenders, or
  - (iii) if there is no Facility A Loan outstanding and the aggregate Facility A Commitments have been reduced to zero, whose Facility A Commitments aggregated 66⅔ per cent or more of the aggregate Facility A Commitments of all the Lenders immediately before the reduction (provided that this sub-paragraph (iii) shall cease to apply when all amounts owing under the Finance Documents to such Lenders have been unconditionally and irrevocably paid and discharged in full), and
- (b) at any other time, Lenders
  - (i) whose share in the outstanding Loans then aggregate 66⅔ per cent or more of the outstanding Loans,
  - (ii) if there is no Loan outstanding, whose undrawn Commitments then aggregate 66⅔ per cent or more of the Total Commitments, or
  - (iii) if there is no Loan outstanding and the aggregate Commitments have been reduced to zero, whose Commitments aggregated 66⅔ per cent or more of the Total Commitments immediately before the reduction

**Majority Senior Creditors** means the Majority Lenders, as adjusted under Clause 12.6 of the Priority Deed,

**Managing Agent** means GVA Grimley or any other managing agent appointed by the Borrower in respect of the Properties with the approval of the Facility Agent,

**Mandated Lead Arranger** means the Governor and Company of the Bank of Scotland,

**Obligor** means the Borrower or a Guarantor,

**Occupational Lease** means any lease or licence or other right of occupation or right to receive rent to which a Property may at any time be subject,

**Opica** means Opica AB (formerly Lagrummet December Nr 1273AB) incorporated in Sweden under registered number 556706-4463,

**Option Agreement** means the option agreement dated 30 August 2006 between the Fund and Opica pursuant to which Opica has been granted an option to require the Fund to acquire the shares of the Target and Lisson Grove Hospital,

**Original Guarantors** means P1 Hospital Holdings Limited and P1 Lisson Limited,

**Partnership Agreement** means the limited partnership agreement dated 10 July 2006 between (among others) the General Partner and Prestbury (Scotland) LP

**Party** means a party to the Loan Agreement,

**Priority Deed** means the priority deed dated on or about the date hereof 2007 between, among others, the Parties and certain other investors in and creditors of the Group,

**Pro-Forma Financial Statements** means the pro-forma cash flow statements of the Group as set out in the Business Plan,

**Propco Properties** means the properties listed at 1 to 20 of Schedule 13 (Properties) of the Loan Agreement,

**Properties** means the real (including leasehold) property listed in Schedule 13 (Properties) of the Loan Agreement,

**Receiver** means an administrative receiver, receiver and manager or a receiver, in each case, appointed under the Security Agreement,

**Relevant Contract** means

- (a) in relation to any Chargor, any Hedging Document,
- (b) in the case of the Borrower only, the Sale and Purchase Agreement,
- (c) in relation to any Chargor, any Lease Document to which it is a party, and
- (d) in the case of the Borrower only, the Duty of Care Agreement, and
- (e) any other agreement to which a Chargor is a party and which the Security Agent has designated a Relevant Contract by notice in writing to the relevant Chargor,

**Report on Title** means a report or certificate of title addressed to, amongst others, the Facility Agent with respect to the Original Properties delivered to and approved by the Facility Agent,

**Reports** means

- (a) the Initial Valuation,
- (b) each Report on Title, and
- (c) the other reports referred to in Part 1 of Schedule 2 (Conditions Precedent Documents) of the Loan Agreement under the heading "Due Diligence Reports",

**Sale and Purchase Agreement** means the sale and purchase agreement in the agreed form between the Vendor and the Borrower relating to the sale and purchase of the shares in Target and Lisson Grove Hospital,

**Secured Liabilities** means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Chargor and of any member of the Group which has acceded to the Security Agreement to any Finance Party under the Finance Documents, except for any obligation which, if it were so included, would result in the Security Agreement contravening any law (including Section 151 of the Companies Act 1985),

**Security** means any security created by the Security Agreement or any document entered into pursuant thereto,

**Security Account** means any account which the Chargor purports to charge under the Security Agreement,

**Security Agent** means the Governor and Company of the Bank of Scotland,

**Security Agreement** means the security agreement dated on or about the date hereof made between, amongst others, the Borrower and the Security Agent,

**Security Assets** means all assets of the Chargor and of any member of the Group which has acceded to the Security Agreement, the subject of any security created by the Security Agreement or any document entered into pursuant thereto,

**Security Documents** means

- (a) the Security Agreement, and
- (b) any other Document designated as such by the Facility Agent and the Borrower,

**Security Interest** means any mortgage, pledge, lien, charge, assignment, assignation in security, hypothecation, standard security or security interest or any other agreement or arrangement having a similar effect,

**Security Period** means the period beginning on the date of the Security Agreement and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full,

**Senior Creditor** means a Lender, a Hedging Bank or an Administrative Party,

**Senior Debt** means all Liabilities of any Obligor to any Senior Creditor under or in connection with the Senior Finance Documents (which for the avoidance of doubt, includes the Hedging Debt),

**Senior Discharge Date** means the date on which the Security Agent is satisfied that all of the Senior Debt and Hedging Debt has been irrevocably paid and discharged and all Commitments of the Senior Creditors have been cancelled and all obligations of the Hedging Banks under the Hedging Documents have been terminated,

**Senior Finance Document** means the Finance Documents as defined in the Loan Agreement,

**Set-off** includes rights of retention, claims of compensation or rights of balancing accounts on insolvency,

**Shares** means

- (a) the shares in P1 Lisson Limited held by the Borrower,
- (b) the shares in the Target held by the Borrower,
- (c) the shares in the General Partner of UK Healthcare Limited Partnership held by Target and the Borrower, and
- (d) the shares in Property owning subsidiaries of the Target and Thomas Rivers Limited held by Target

**Subsidiary** means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent of the voting capital or similar right of ownership,

**Target** means UK Healthcare Properties Limited, a company incorporated in England and Wales under registered number 04707153,

**Target Group** means Target and its Subsidiaries,

**Total Commitments** means the aggregate for the time being of the Total Facility A Commitments, the Total Facility B Commitments and the Total Facility C Commitments, being £665,015,000 at the date of the Loan Agreement,

**Total Facility A Commitments** means the aggregate for the time being of the Facility A Commitments, being £383,050,000 at the date of the Loan Agreement to the extent not cancelled or transferred or reduced under the Loan Agreement,

**Total Facility B Commitments** means the aggregate for the time being of the Facility B Commitments, being £174,120,000 at the date of the Loan Agreement to the extent not cancelled or transferred or reduced under the Loan Agreement, and

**Total Facility C Commitments** means the aggregate for the time being of the Facility C Commitments, being £69,635,000 at the date of this Agreement, to the extent not cancelled or transferred or reduced under this Agreement,

**Transfer Certificate** means a certificate, substantially in the form of Schedule 5 (Form of Transfer Certificate) to the Loan Agreement, with such amendments as the Facility Agent may approve or reasonably require or any other form agreed between the Facility Agent and the Borrower

**Vendor** means Capio AB, a company incorporated in Sweden

1 2 In these Schedules a reference to a document is a reference to that document as amended

## 2. The Form of Financial Assistance

2 1 The financial assistance by the Company shall be effected by

- (a) the Company entering into an accession agreement to the Loan Agreement with the Borrower and the Facility Agent (the "**Accession Agreement**") whereby it will accede to the Loan Agreement as an Additional Guarantor and agree to be bound by the terms of the Loan Agreement as an Additional Guarantor,
- (b) the Company entering into and performing its obligations under a deed of accession to the Security Agreement with the Borrower and the Security Agent (the "**Security Agreement Accession Deed**") whereby it will accede to the Security Agreement as an Additional Chargor and agree to be bound by all the terms of the Security Agreement as an Additional Chargor,
- (c) the Company entering into and performing its obligations under a deed of accession to the Priority Deed with the Borrower and the Security Agent (the "**Priority Deed Accession Deed**") whereby it will accede to the Priority Deed and agree to be bound by the terms of the Priority Deed,
- (d) the Company entering into and performing its obligations under the Intercompany Loan Agreement,  
  
(the Accession Agreement, Loan Agreement, Security Agreement Accession Deed, Security Agreement, Priority Deed Accession Deed, Priority Deed and the Intercompany Loan Agreement being referred to as the "**Financial Assistance Documents**"), and
- (e) the Company assuming liabilities and obligations under and pursuant to each Financial Assistance Document in accordance with and subject to the terms of each such document

This is Schedule 1 referred to in the Form 155(6)a declared by the directors of the Company

Signed   
Solicitor 

## **SCHEDULE 2**

### **to Form 155(6)a**

#### **The Principal Terms of the Financial Assistance**

##### **1. General**

- 1 1 The principal terms of each Financial Assistance Document are summarised and separately described below
- 1 2 Clause and other document references as used in each part of this Schedule are to clause and other references in the particular Financial Assistance Document to which that particular part of this Schedule relates

##### **2. Security Agreement and Security Agreement Accession Deed**

##### **2 1 General**

- (a) All the security created under the Security Agreement
  - (i) is created in favour of the Security Agent,
  - (ii) is created over present and future assets of the Chargor,
  - (iii) is security for the payment of all the Secured Liabilities, and
  - (iv) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994
- (b) The Security Agent holds the benefit of the Security Agreement on trust for the Finance Parties

##### **2 2 Land**

- (a) The Chargor charges
  - (i) by way of a first priority legal mortgage all estates or interests in any freehold or leasehold property owned by it and all rights under any licence or other agreement or document which gives the Chargor a right to occupy or use property, and
  - (ii) (to the extent that they are not the subject of a mortgage under subparagraph (i) above) by way of first fixed charge all estates or interests in any freehold or leasehold property owned by it and all rights and licences or other agreement or document which gives the Chargor a right to occupy or use property
- (b) A reference in the Security Agreement to any freehold or leasehold property includes
  - (i) all buildings, fixtures, fittings and fixed plant and machinery on that property owned by the Chargor, and
  - (ii) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property or any moneys paid or payable in respect of those covenants

## **2 3 Investments**

### **(a) The Chargor charges**

- (i) by way of a first priority legal mortgage all shares in any member of the Group (other than itself) owned by it or held by any nominee on its behalf, and
- (ii) (to the extent that they are not the subject of a mortgage under subparagraph (i) above) by way of a first fixed charge its interest in all shares, stocks, debentures, bonds or other securities and investments owned by it or held by any nominee on its behalf

### **(b) A reference in the Security Agreement to any stock, share, debenture, bond or other security includes**

- (i) any dividend or interest paid or payable in relation to it, and
- (ii) any right, money or property accruing or offered at any time in relation to it by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise

## **2 4 Plant and machinery**

The Chargor charges by way of a first fixed charge all plant and machinery owned by it and its interest in any plant or machinery in its possession

## **2 5 Credit balances**

The Chargor charges by way of a first fixed charge all of its rights in respect of any amount standing to the credit of any account (including any account contemplated by the Security Agreement) it has with any person and the debt represented by it

## **2 6 Book debts etc.**

The Chargor charges by way of a first fixed charge

- (a) all of its book and other debts,
- (b) all other moneys due and owing to it, and
- (c) the benefit of all rights, securities or guarantees of any nature enjoyed or held by it in relation to any item under paragraph (a) or (b) above

## **2 7 Insurances**

The Chargor assigns absolutely by way of security, subject to a proviso for re-assignment on redemption, all of its rights in respect of any contract or policy of insurance taken out by it or on its behalf or in which it has an interest

## **2 8 Other contracts**

The Chargor assigns absolutely by way of security, subject to a proviso for re-assignment on redemption, all of its rights in respect of

- (a) its Relevant Contracts,



- (b) any letter of credit issued in its favour, and
- (c) any bill of exchange or other negotiable instrument held by it

## **2 9 Intercompany Loans**

The Chargor assigns absolutely by way of security, subject to a proviso for re-assignment on redemption, all of its rights in respect of any Intercompany Loans to which it is a party provided that while no Event of Default is outstanding the Chargor may, subject to the terms of the Loan Agreement, exercise all its rights in respect of any Intercompany Loan to which it is a party and receive and exercise all rights in respect of the proceeds thereof

## **2 10 Miscellaneous**

The Chargor charges by way of first fixed charge

- (a) any beneficial interest, claim or entitlement it has in any pension fund,
- (b) its goodwill,
- (c) the benefit of any authorisation (statutory or otherwise) held in connection with its use of any Security Asset,
- (d) the right to recover and receive compensation which may be payable to it in respect of any authorisation referred to in paragraph (c) above, and
- (e) its uncalled capital

## **2 11 Floating charge**

- (a) Each Chargor charges by way of a first floating charge
  - (i) all its assets not at any time otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, charge or assignment under this Clause
- (b) Except as provided below, the Security Agent may (acting on the instructions of the Majority Lenders) by notice to the Chargor convert the floating charge created by the Chargor under the Security Agreement into a fixed charge as regards any of the Chargor's assets specified in that notice, if
  - (i) an Event of Default is outstanding, or
  - (ii) the Security Agent considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy
- (c) The floating charge created by the Security Agreement may not be converted into a fixed charge solely by reason of
  - (i) the obtaining of a moratorium, or
  - (ii) anything done with a view to obtaining a moratorium,

under the Insolvency Act 2000

- (d) The floating charge created by the Security Agreement will automatically convert into a fixed charge over all of the Chargor's assets if an administrator is appointed or the Security Agent receives notice of an intention to appoint an administrator
- (e) The floating charge created by the Security Agreement is a **qualifying floating charge** for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986

## **2 12 Expenses and indemnity**

The Chargor must

- (a) immediately on demand pay all costs and expenses (including legal fees) (which, before the Security becomes enforceable, must be reasonable) incurred in connection with the Security Agreement by any Finance Party, Receiver, attorney, manager, agent or other person appointed by the Security Agent under the Security Agreement, and
- (b) keep each of them indemnified against any failure or delay in paying those costs or expenses, this includes any arising from any actual or alleged breach by any person of any law or regulation, whether relating to the environment or otherwise

## **2 13 Further assurances**

The Chargor must, at its own expense, take whatever action the Security Agent or a Receiver may require for

- (a) creating, perfecting or protecting any security intended to be created by the Security Agreement (including without prejudice to the foregoing generality) any fixed security intended to be created pursuant to Clause 2 11(b) thereof, or
- (b) facilitating the realisation of any Security Asset, or the exercise of any right, power or discretion exercisable, by the Security Agent or any Receiver or any of its delegates or sub-delegates in respect of any Security Asset

This includes

- (i) the execution of any transfer, conveyance, assignment or assurance of any property, whether to the Security Agent or to its nominee, or
  - (ii) the giving of any notice, order or direction and the making of any registration,
- which, in any such case, the Security Agent may think expedient

## **2 14 Covenant to pay**

The Chargor must pay or discharge the Secured Liabilities in the manner provided for in the Finance Documents

## **2 15 Time deposits**

Without prejudice to any right of set-off any Finance Party may have under any other Finance Document or otherwise, if any time deposit matures on any account the Chargor has with any Finance Party within the Security Period when

- (a) the Security has become enforceable, and
- (b) no Secured Liability is due and payable,

that time deposit will automatically be renewed for any further maturity which that Finance Party considers appropriate

### **3. Accession Agreement and Loan Agreement**

#### **3 1 Guarantee and indemnity**

The Chargor jointly and severally and irrevocably and unconditionally

- (a) guarantees to each Finance Party punctual performance by each Obligor of all its payment obligations under the Finance Documents,
- (b) undertakes with each Finance Party that, whenever any Obligor does not pay any amount when due under any Finance Document, the Chargor must immediately on demand by the Facility Agent pay that amount as if it were the principal obligor, and
- (c) indemnifies each Finance Party immediately on demand against any loss or liability suffered by that Finance Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, the amount of the loss or liability under this indemnity will be equal to the amount the Finance Party would otherwise have been entitled to recover

#### **3 2 Continuing guarantee**

The guarantee in clause 16 of the Loan Agreement is a continuing guarantee and will extend to the ultimate balance of all sums payable by each Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part

#### **3 3 Set-Off**

A Finance Party may set off any matured obligation owed to it by the Chargor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off

### **4. Priority Deed Accession Deed and Priority Deed**

#### **4 1 Ranking**

- (a) Unless expressly provided to the contrary in the Priority Deed, the Debt shall rank in right and priority of payment in the following order

<b>First</b>	the Senior Debt (pari passu without any preference between the Hedging Debt and the rest of the senior Debt),
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**Second** the Intercompany Debt, and

**Third** the Investor Debt

- (b) Unless expressly provided to the contrary in the Priority Deed, the Security shall only rank and secure the senior Debt. The Intercompany Debt and the Investor debt are and will remain unsecured
- (c) The ranking and priority in paragraph (a) and (b) above applies regardless of
  - (i) the order of registration, filing, notice or execution of any document,
  - (ii) the date upon which the Debt was incurred or arose,
  - (iii) whether a person is obliged to advance any such Debt, and
  - (iv) any fluctuations in the outstanding amount, or any intermediate discharge in whole or in part of any Debt
- (d) The Priority Deed does not purport to rank any elements of the Intercompany Debt or Investor Debt, in each case, as between themselves

#### **4.2 Undertakings**

- (a) Prior to the Senior Discharge Date, except as the Majority Senior Creditors have agreed in writing, or to the extent permitted by Clause 6.2 (Filing of Claims) of the Priority Deed
  - (i) no Obligor will (and each Obligor will procure that none of its Subsidiaries will) make any payment of or in respect of, or purchase, redeem or acquire, any of the Junior Debt in cash or in kind,
  - (ii) no Junior Creditor will demand or receive payment of or in respect of any Junior Debt in cash or kind or apply any money or property in or towards the discharge of any Junior Debt,
  - (iii) no Junior Creditor or Obligor will discharge any Junior Debt by set-off, any right of combination of accounts or otherwise,
  - (iv) no Obligor will (and each Obligor will procure that none of its Subsidiaries will) create or permit to subsist any Security Interest over any of its assets for any of the Junior Debt,
  - (v) no Obligor will (and each Obligor will procure that none of its Subsidiaries will) give any financial support to any person for or in connection with the Junior Debt,
  - (vi) no Obligor or Junior Creditor will allow any Junior Debt to be evidenced by a negotiable instrument,
  - (vii) no Junior Creditor will allow any Junior Debt to be subordinated to any person otherwise than as may arise as a matter of law or in accordance with the Priority Deed, and
  - (viii) no Obligor or Junior Creditor will take or omit to take any action whereby the ranking and/or subordination of the Junior Debt provided for in the Priority Deed may be impaired

- (b) Nothing in the preceding paragraph (a) prevents the Chargor making, and the Junior Creditors making, any payment which is permitted by Clause 4 of the Priority Deed as set out at 4.3 below

#### 4.3 Permitted Payments

- (a) Prior to the Senior Discharge Date, but subject to paragraph (b) below and to Clause 5 (Turnover) of the Priority Deed, unless the Majority Senior Creditors otherwise agree no Obligor may pay, or receive and retain payment, whether in cash or kind of, any amount of Junior Debt
- (b) Each Obligor may
  - (i) make intercompany loans to any other Obligor which are permitted by the terms of the Loan Agreement, and
  - (ii) make any payment to any other Obligor provided that
    - (A) no Event of Default has occurred and is continuing (or would result from the making of such payment), and
    - (B) such Obligor has sufficient readily available cash to pay the sum which is due or demanded

#### 4.4 Turnover

- (a) If any Senior Creditor or Junior Creditor receives or recovers a payment in cash or in kind (including by way of set-off or combination of accounts) (other than as a result of any payment made to HBOS Treasury Services plc under or in connection with any Hedging Debt Guarantee)
  - (i) of any of the Hedging Debt which is prohibited by Clause 12.2 (Undertakings relating to Hedging Debt) of the Priority Deed,
  - (ii) of any of the Senior Debt which is prohibited by the Priority Deed,
  - (iii) from (or on behalf of) any member of the Group on account of the purchase, redemption or acquisition of any Debt (other than, in the case of redemptions, when such redemptions are permitted by the Priority Deed,

(each such payment or distribution being a "Turnover Receipt") the receiving or recovering Senior Creditor or Junior Creditor (as the case may be) will promptly notify the Security Agent
- (b) Each Senior Creditor and Junior Creditor shall
  - (i) hold any Turnover Receipt received or recovered by it on trust for the Senior Creditors, and
  - (ii) upon demand by the Security Agent pay to the Security Agent for application as provided in Clause 4.8 (Proceeds of Enforcement) of the Priority Deed an amount determined by the Security Agent to be equal to the lesser of
    - (A) the outstanding balance of the Senior Debt and Hedging Debt, and

(B) the amount of such Turnover Receipt,

less the third party costs and expenses (if any) reasonably incurred by the Senior Creditor or Junior Creditor concerned in receiving or recovering such Turnover Receipt

- (c) Each Obligor shall indemnify each Senior Creditor and Junior Creditor (to the extent of its liability for the Senior Debt or Junior Debt) for the amount of any Turnover Receipt paid by that Senior Creditor or Junior Creditor to the Security Agent and such third party costs and expenses incurred by it, and the Senior Debt or the Junior Debt (as appropriate) will not be deemed to have been reduced or discharged in any way or to any extent by the receipt or recovery of the relevant Turnover Receipt

#### **4 5 Subordination Events**

If an Insolvency Event occurs to or in respect of any Obligor, then (unless otherwise required by the Majority Senior Creditors) the Investor Debt and the Intercompany Debt owed by the Insolvent Obligor will be subordinate in right of payment to the Senior Debt (if any) owed by such Insolvent Obligor

#### **4 6 Restrictions on Junior Creditors**

Subject to Clause 6 (Subordination on Insolvency) of the Priority Deed, until the Senior Discharge Date unless the Majority Senior Creditors have previously agreed in writing none of the Junior Creditors will

- (a) demand payment of any Junior Debt,
- (b) accelerate any of the Junior Debt or otherwise declare any of the Junior Debt prematurely due or payable on an Event of Default or otherwise,
- (c) enforce any of the Junior Debt by attachment, set-off, execution or otherwise,
- (d) (or will give instructions to the Security Agent to) crystallise any floating charge in the Security Documents, appoint a receiver or otherwise enforce the Security,
- (e) petition for (or vote in favour of any resolution for) or initiate, support or take any steps with a view to any Insolvency or any voluntary arrangement or assignment for the benefit of creditors or any similar proceedings involving an Obligor,
- (f) sue or bring or support any legal proceedings against any Obligor (or any of its Subsidiaries), except that nothing in this paragraph will restrict the bringing of proceedings by the Investors against the Company if permitted by Clause 7 2 (Junior Creditor Actions) of the Priority Deed, where doing so would not conflict with any other provision of the Priority Deed,
- (g) otherwise exercise any remedy for the recovery of any Junior Debt, or
- (h) (in the case of the Investors only), sue or bring or support proceedings against or make demand on the provider of any of the Reports (a "Report Provider") in connection with the Reports or receive payment from any of the Report Providers in connection with any such suit, proceedings or demand if there is an aggregate limit on the amount of claims which may be brought against that Report Provider and the aggregate amount of all those claims might exceed the

amount of any limitation of liability on which that Report Provider is entitled to rely, provided that in any case

- (i) a Junior Creditor must notify the Senior Agent before suing or bringing or supporting proceedings against or making a demand on a Report Provider in connection with the Reports, and
- (ii) the Senior Creditors will be entitled to full payment of their claims against that Report Provider in connection with any Report in priority to the claims of the Junior Creditors against that Report Provider and each Junior Creditor will on demand pay to the Security Agent for application as provided in Clause 8 (Proceeds of Enforcement) of the Priority Deed an amount equal to any amount received by it in breach of this (h) (ii)

#### **4 7 Junior Creditor Actions**

If there is a restriction preventing a Junior Creditor from suing or bringing or supporting proceedings against any member of the Group or Report Provider would result in such Junior Creditor being prevented from suing or bringing or supporting those proceedings by reason of the expiry of any statutory limitation period, that Junior Creditor shall be able to sue or bring or support those proceedings against that member of the Group or Report Provider, but only to the extent necessary to prevent loss of the right to sue or bring or support those proceedings

#### **4 8 Proceeds of Enforcement**

Subject to the rights of any creditor with prior security or preferential claims, the proceeds of enforcement of the Security shall be paid to the Security Agent Those proceeds and all other amounts paid to the Security Agent under the Priority Deed shall be applied in the following order

- |               |   |
|---------------|---|
| <b>First</b>  | in payment of the fees, costs, expenses and liabilities (and all interest thereon as provided in the Senior Finance Documents) of the Security Agent and any receiver, attorney or agent appointed under the Security Documents or the Priority Deed, |
| <b>Second</b> | in payment of the balance of the costs and expenses of any Senior Creditor in connection with such enforcement,   |
| <b>Third</b>  | in payment to the Facility Agent and the Hedging Banks for application towards the balance of the Senior Debt (pari passu without any preference between the Hedging Debt and the rest of the Senior Debt), and                                       |
| <b>Fourth</b> | the payment of the surplus (if any) to the Obligor or other person entitled to it   |

#### **4 9 Guarantee**

Each Obligor jointly and severally and irrevocably and unconditionally guarantees to each Hedging Bank payment in full of the Hedging Debt owed to such Hedging Bank by any other Obligor on the same terms as are set out in clause 16 (Guarantee and indemnity) of the Loan Agreement (or any Accession Agreement by which an Obligor became an Additional Guarantor) as though they were set out in full in the Priority

Deed, except that references in that clause to a "Guarantor" will be construed as though they were references to an Obligor, references in that clause to a "Finance Party" will be construed as though they were references to a Hedging Bank, references in that clause to an "Obligor" shall be construed as though they were references to the counterparty to such Hedging Debt and references in that clause to the "Finance Documents" shall be construed as though they were references to the Hedging Documents

**4 10 Enforcement Costs**

Each Obligor and each Junior Creditor will within three Business Days of demand pay to each Senior Creditor or Hedging Bank the amount of all costs and expenses incurred by it in connection with the enforcement against that Obligor or Junior Creditor (as the case may be) of such person's rights against it under the Priority Deed

**4 11 Legal Expenses and Taxes**

The costs and expenses referred to in paragraph 4 10 above include the fees and expenses of legal advisers and any value added tax or similar tax, and are payable in the currency in which they are incurred


**5. Intercompany Loan Agreement**

5 1 The Company agrees to lend each amount of Net Rental Income (as defined in the Loan Agreement) received by or on behalf of the Company under an unsecured term loan facility made available to the Target, which facility is repayable on demand Interest accrues on the loan at a rate of 6 5% per annum and is payable at maturity unless the lender under the loan otherwise agrees in writing

5 2 If the Chargor fails to pay any amount payable by it under the Intercompany Loan Agreement on the due date or within any applicable grace period relating thereto (such amount being an "Overdue Amount"), default interest will accrue from day to day on the Overdue Amount from (and including) the due date to (but excluding) the date such Overdue Amount is paid in full Default interest will be payable on an Overdue Amount at a rate of 8 5 per cent per annum Default interest will be payable after deduction of any income or other tax required by law to be deducted

This is Schedule 2 referred to in the Form 155(6)a as declared by the directors of the Company

Signed



Solicitor



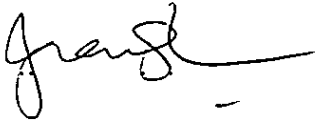
**SCHEDULE 3**  
**to Form 155(6)a**

**The amount of cash to be transferred to the person assisted is:**

Nil

This is Schedule 3 referred to in the Form 155(6)a as declared by the directors of the Company

Signed  
Solicitor

A handwritten signature in black ink, appearing to be 'Frank', written over a horizontal line.



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**Private and Confidential**

The Directors  
P1 Woodland Limited  
C/o Prestbury 1 Limited Partnership  
Cavendish House  
18 Cavendish Square  
London W1G 0PJ

14 May 2007

Our ref 51/LMG/STRN-Q077

Dear Sirs

**P1 WOODLAND LIMITED (THE "COMPANY")**

**Independent auditors' report to the directors of P1 Woodland Limited pursuant to Section 156(4) of the Companies Act 1985**

We have examined the attached statutory declaration of the directors of the Company dated 14 May 2007 in connection with the proposal that the Company should give financial assistance for the purchase of the entire issued share capital of the Company's parent company, UK Healthcare Properties Limited

Our report has been prepared pursuant to the requirements of section 156(4) of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of section 156(4) of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

**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 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

**BDO Stoy Hayward LLP**  
*Chartered Accountants and Registered Auditors*

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B Letter P1 Woodland Limited DOC