

M

COMPANIES FORM No. 395

Particulars of a mortgage or charge

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

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number

Name of company

* PRIORY SPECIALIST HEALTH DIVISION LIMITED (the "Obligor")

Date of creation of the charge

19 September 2003

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

The amendment and restatement deed dated 19 September 2003 relating to a security over shares agreement made on 19 September 2003 amending and restating a security over shares agreement dated 4 September 2003, made by, among others, Priory Securitisation Holdings Limited (the "Trustee") and the Obligor (the "Agreement").,

Amount secured by the mortgage or charge

See Schedule 1. The defined terms used in this Form 395 have the meanings set out in Schedule 3.

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

Priory Securitisation Holdings Limited, Priory House, Randalls Way, Leatherhead, Surrey,

Postcode KT22 7TP

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

Clifford Chance LLP
10 Upper Bank Street
London
E14 5JJ

For official Use
Mortgage Section

Post room



LD2
COMPANIES HOUSE

0319
09/10/03

Time critical reference

TXV\R21\45021\JSF

Short particulars of all the property mortgaged or charged

See Schedule 2

Please do not
write in
this margin

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

Particulars as to commission allowance or discount (note 3)

None

Signed

Clifford Chance

Date

9

October 2003

On behalf of [XXXXXX] [mortgagee/chargee] †

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

† delete as
appropriate

Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 Cheques and Postal Orders are to be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is:-

Companies House, Crown Way, Cardiff CF14 3UZ

SCHEDULE 1 TO FORM 395

Amount secured by the mortgage or charge:

Any liability to Tax of any of the other Obligors or the Issuer which arises as a consequence of a breach by the Obligor of its obligations under Clause 3.1.5 of the Tax Deed of Covenant.

SCHEDULE 2 TO FORM 395**Short particulars of all the property mortgaged or charged:**

The Obligor charged all its right title and interest from time to time in all of the shares in the share capital of Priory Specialist Health Limited (registered number 03899044) held by, to the order or on behalf of the Obligor at any time and all shares held in the future by the Obligor in any company that is or has at any time been:

- (a) "associated" (within the meaning of section 42 of the Finance Act 1930 or section 151 of the Finance Act 1995) with, or a member of the same group of companies for the purposes of Schedule 7 to the Finance Act 2003 as, an Obligor; or
- (b) a member of the same group of companies for the purposes of section 170 of the Taxation of Chargeable Gains Act 1992 as an Obligor;

and in relation to such shares; all dividends, interest and other monies payable in respect of such shares and all other rights, benefits and proceeds in respect of or derived from such shares (whether by way of redemption, bonus, preference, option, substitution, conversion or otherwise), with full title guarantee and by way of second ranking fixed charge, in favour of the Trustee.

Further Assurance

The Agreement contains covenants for further assurance.

SCHEDULE 3 TO FORM 395

Definitions of capitalised words and expressions used in this Form 395:

In this Form 395, the following defined terms have the meanings set out below:

"Account Bank" means The Royal Bank of Scotland plc, acting through its office at 62-63 Threadneedle Street, London EC2R 8LA, in its capacity as account bank;

"Account Bank and Cash Management Agreement" means the account bank and cash management agreement dated on or about the Closing Date and made between the Obligors, the Account Bank, the Issuer, the Cash Manager, the Borrower Security Trustee and the Note Trustee;

"Additional Obligor" means any direct or indirect subsidiary of Priory Securitisation Holdings Limited (registered number 4793915) which has become an Additional Obligor in accordance with Clause 6 (*Additional Obligors*) of the Issuer/Borrower Facility Agreement by executing and delivering an Obligor Accession Agreement and an Obligor Security Accession Deed;

"Additional Term Advance" means an advance under an Additional Term Facility, as the context may require;

"Additional Term Facility" means a Further Term Facility and/or a New Term Facility, as the context may require;

"Borrowers" means Priory Securitisation Limited (registered number 03982134), Priory Securitisation Holdings Limited (registered number 4793915), Priory Healthcare Limited (registered number 01505382), Priory Education Services Limited (registered number 02838284), Blenheim Healthcare Limited (registered number 03136041), Priory Rehabilitation Services Limited (registered number 03074698), Priory Central Services Limited (registered number 04391278), Farm Place Limited (registered number 02663868), Priory Specialist Health Limited (registered number 03899044) and Farleigh Schools Limited (registered number 03225255), each of which is a private limited company incorporated in England and Wales and each of whose registered office is at Priory House, Randalls Way, Leatherhead, Surrey KT22 7TP and the term **"Borrowers"** shall include any Obligor to which an Additional Term Advance is made;

"Borrower Security Trustee" means Citicorp Trustee Company Limited;

"Cash Manager" means Priory Central Services Limited, in its capacity as cash manager for the Obligors and the Issuer, acting through its registered office at Priory House, Randalls Way, Leatherhead, Surrey KT22 7TP, or such other entity or entities appointed as cash manager for the Obligors and the Issuer from time to time, subject to and in accordance with the terms of the Account Bank and Cash Management Agreement;

"Closing Date" means 4 September 2003;

"Further Term Facility" means a further term facility which may be requested by any Obligor at any time by written notice to the Issuer (with a copy thereof to the Borrower Security Trustee) and the Rating Agencies ranking *pari passu* with the relevant Initial Term Facility pursuant to Clause 2.4 (*Request for an Additional Term Facility*) of the Issuer/Borrower Facility Agreement and is made available to the Obligor by the Issuer in accordance with and subject to Clause 2.5 (*Granting of an Additional Term Facility*) of the Issuer/Borrower Facility Agreement;

"Initial Term Facility" means the Term Facility granted by the Issuer to the Borrowers on the Closing Date pursuant to Clause 2.1 (*Initial Term Facilities*) of the Issuer/Borrower Facility Agreement;

"Intermediate Parent" means Priory Group Limited (registered number 04433255) whose registered office is at Priory House, Randalls Way, Leatherhead, Surrey KT22 7TP;

"Issuer" means Priory Finance Company Limited, a special purpose company with limited liability incorporated in the Cayman Islands with registered number 100676 and whose registered office is at P.O. Box 309, George Town, Grand Cayman, Cayman Islands;

"Issuer/Borrower Facility Agreement" means the facility agreement dated on or about the Closing Date and made between the Obligors, the Issuer, the Cash Manager and the Borrower Security Trustee;

"New Term Facility" means a new term facility which may be requested by an Obligor at any time by written notice to the Issuer (with a copy to the Borrower Security Trustee and the Rating Agencies) pursuant to Clause 2.4 (*Request for an Additional Term Facility*) of the Issuer/ Borrower Facility Agreement and made available to the Obligors by the Issuer in accordance with and subject to Clause 2.5 (*Granting of an Additional Term Facility*) of the Issuer/Borrower Facility Agreement;

"Note Trustee" means Citicorp Trustee Company Limited whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB;

"Obligors" means the Borrowers, Priory Rehabilitation Services Holdings Limited (registered number 02915765), Priory Services for Young People (IOM) Limited (registered number 101005C), The Nottingham Clinic Limited (registered number 02220967), North Hill House Limited (registered number 03968590), Highbank Private Hospital Limited (registered number 02049088), Jacques Hall Development Limited (registered number 03213815), Jacques Hall Limited (registered number 03213812), Robinson Kay House (Bury) Limited (registered number 02625256), Priory Hospitals Limited (registered number 03189363), Priory Healthcare Services Limited (registered number 02188451), Libra Health Limited (registered number 01355923), Libra Nursing Homes Limited (registered number 01004767), Ticehurst House Private Clinic Limited (registered number 00904127), Priory Healthcare Holdings Limited (registered number 03738107), Priory Specialist Health Division Limited (registered number 03893502) and where the context requires, any Additional Obligor;

"Priory" means Priory Healthcare Investments Limited (registered number 04433250) whose registered office is at Priory House, Randalls Way, Leatherhead, Surrey KT22 7TP;

"Rating Agencies" means Fitch and S&P;

"Tax" means any present or future tax, levy, impost, duty or other charge or withholding of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) imposed or levied by or on behalf of a Tax Authority and "Taxes", "taxation", "taxable" and comparable expressions shall be construed accordingly;

"Tax Authority" means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world, including the United Kingdom Inland Revenue and H.M. Customs and Excise; and

"Tax Deed of Covenant" means a deed of covenant dated on or about the Closing Date and made between, *inter alios*, Priory, the Obligors, the Issuer, the Intermediate Parent, the Note Trustee and the Borrower Security Trustee as such may be amended or supplemented from time to time pursuant to the Tax Deed of Covenant and the Issuer/Borrower Facility Agreement; and

"Term Facility" means an Initial Term Facility, a Further Term Facility and/or a New Term Facility, as the context may require.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 03893502

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT AN AMENDMENT AND RESTATEMENT DEED DATED THE 19th SEPTEMBER 2003 AND CREATED BY PRIORY SPECIALIST HEALTH DIVISION LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM ANY OF THE OTHER OBLIGORS OR THE ISSUER TO PRIORY SECURITISATION HOLDINGS LIMITED (THE "TRUSTEE") UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 9th OCTOBER 2003.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 24th OCTOBER 2003.

Lehm



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —