

**WRITTEN RESOLUTIONS
OF THE SOLE SHAREHOLDER (**

**Burnside Care Limited
Company Number 05628124
(the "Company")**

THURSDAY



19 december 2012

Terms defined in the Senior Revolving Facility Agreement (as defined below) shall have the same meaning in these written resolutions unless otherwise defined

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose the following resolutions to be passed as ordinary resolutions or special resolutions as specified below

ORDINARY RESOLUTIONS

- 1 **THAT** it being in the best interests of the Company and most likely to promote the success of the Company, the entry by the Company into (and performance by it of its obligations under) the documents listed below, together with any other document necessary or desirable relating thereto, be and is hereby approved
 - (a) an accession deed to a senior revolving facility agreement dated 3 February 2011 between Credit Suisse AG, London Branch, Deutsche Bank AG, London Branch, The Royal Bank of Scotland plc, GE Corporate Finance Bank SAS and RBC Capital Markets as mandated lead arrangers, The Royal Bank of Scotland plc as facility agent (the "**Agent**") and Deutsche Bank AG, London Branch as security agent and Priory Group No 3 Plc (the "**Parent**") as parent, original borrower and original guarantor (as amended, supplemented and/or restated from time to time, the "**Senior Revolving Facility Agreement**") pursuant to which the Company will guarantee, *inter alios*, the Parent's and each Obligor's (as defined therein) obligations,
 - (b) an accession deed to an intercreditor agreement dated 3 February 2011 between, amongst others, the Agent, Deutsche Bank AG, London Branch as Security Agent (as defined herein), the Parent and others (the "**Intercreditor Deed**"),
 - (c) a supplemental indenture to the senior secured notes indenture dated 3 February 2011 entered into by, among others, the Parent, Deutsche Bank AG, London Branch as security agent and Deutsche Trustee Company Limited as trustee (the "**Senior Secured Notes Indenture**") pursuant to which the Company agrees to guarantee the obligations of the Parent as issuer under the Notes (as defined therein),
 - (d) a form of notation of guarantee in relation to the Senior Secured Notes Indenture pursuant to which the Company agrees to guarantee the obligations of the Parent as issuer under the Notes (as defined therein),

- (e) an accession deed to a debenture dated 14 April 2011 (the "**Debenture**") entered into by the Parent and others in favour of Deutsche Bank AG, London Branch as Security Agent pursuant to which the Company would charge its assets and undertaking to secure the obligations of the Obligors under the Senior Revolving Facility Agreement, the Senior Secured Notes Indenture, certain hedging agreements and certain related documents,
- (f) a draft supplemental charge with respect to the properties held by the Company and charged under the Debenture to be entered into between the Company and the Security Agent,
- (g) a supplemental indenture to the senior notes indenture dated 3 February 2011 entered into by, among others, the Parent and Deutsche Trustee Company Limited as trustee (the "**Senior Notes Indenture**" and, together with the Senior Secured Notes Indenture, the "**Indentures**") pursuant to which the Company agrees to guarantee the obligations of the Parent as issuer under the Notes (as defined therein),
- (h) a form of notation of guarantee in relation to the Senior Notes Indenture pursuant to which the Company agrees to guarantee the obligations of the Parent as issuer under the Notes (as defined therein and the transactions entered into pursuant to the documents described at (a) to (g) above, the "**Accessions**"),
- (i) a process agent letter regarding the appointment of process agents in New York for the Company in relation to the Senior Secured Notes Indenture and the Senior Notes Indenture,
- (j) a draft officers' certificate certifying various documents and confirming various matters on behalf of the Company in relation to the Senior Revolving Facility Agreement,
- (k) a draft officers' certificate certifying various documents and confirming various matters on behalf of the Company in relation to the Notes (as defined in the Indentures),
- (l) such further documents, deeds, instruments, agreements, powers of attorney notices, requests, acknowledgments, memoranda, statements or certificates as may be ancillary, necessary, desirable, required or requested in connection with the Accessions, and
- (m) all the authorities, approvals and other sanctions provided for by any of the foregoing resolutions (and all actions taken by any director, secretary or attorney pursuant to any such resolutions) shall be immediately effective without the need for any further authorisation from any director or the shareholders of the Company

SPECIAL RESOLUTION

That the Company's articles of association be amended such that Article 5 I shall be deleted in its entirety

The above written resolutions were passed as a written resolution pursuant to Chapter 2 of Part 13 of the Companies Act 2006 on the date shown above, the signatory being the sole holder of the issued or allotted shares of the Company

Notes:

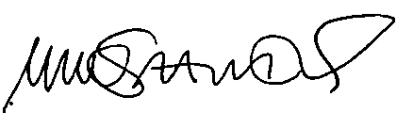
- 1 These written resolutions have been proposed by the directors of the Company
- 2 The circulation date of the written resolutions is 19 December 2012 2012 (the "**Circulation Date**").
- 3 Please signify your agreement to the written resolutions by signing against your name where indicated and entering the date on which you signed the document. You must signify your agreement to the proposed resolutions as follows: (i) by delivering by hand a signed copy to Shearman & Sterling LLP, 9 Appold Street, London EC2A 2AP for the attention of Isla Smith, (ii) by sending by post a signed copy to Priory Group, 21 Exhibition House, Addison Bridge Place, London W14 8XP for the attention of David Hall, (iii) by sending by fax a signed copy to Shearman & Sterling LLP for the attention of Isla Smith (facsimile number 020 7655 5440), or (iv) by sending by email a signed copy of the resolutions for the attention of David Hall (email davehall@priorygroup.com) and Isla Smith (isla.smith@shearman.com)
- 4 If you sign the document and return it to the Company without indicating whether you agree to the resolution, it will be assumed by the Company that you agree to the resolution being passed
- 5 If you return the document signed but undated, it will be assumed by the Company that you signed the document on the day immediately preceding the day on which it was received by the Company
- 6 If not passed by the requisite majority of the total voting rights of the eligible members, this written resolution shall lapse on the date which is 28 days, from and including, the Circulation Date.

AGREEMENT

The undersigned, being the sole member of the Company

- 1 confirm that we have received a copy of the above written resolutions in accordance with section 292 to 295 of the Companies Act 2006, and
- 2 hereby irrevocably resolve and agree that the above resolutions are passed as written resolutions pursuant to section 288 of the Companies Act 2006 and that the resolutions above shall take effect as ordinary resolutions or special resolutions as specified above

Signed by CRAEGMOOR HOSPITALS LIMITED

acting by 
as the sole shareholder

Date 19 December 2012