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bold block lettering

*insert full name
of Company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

A fee of £13 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

3

FC027630

Name of company

* Priory Condoever (Property) Limited (the **Chargor**)

Date of creation of the charge

11 December 2007

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

A confirmatory security agreement dated 11 December 2007 between, amongst
others, the Chargor and the Facility Agent (as defined below) relating to
the Original Security Agreement (as defined below) (the **Deed**)

Amount secured by the mortgage or charge

All present and future obligations and liabilities (whether actual or
contingent and whether owed jointly or severally or in any other capacity
whatsoever) of each Obligor (as defined below) to any Finance Party (as
defined below) under each Finance Document (as defined below) to which an
Obligor is a party, except for any obligation which, if it were so
included, would result in the Deed contravening Section 151 of the
Companies Act 1985 (the **Secured Liabilities**)

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

ABN AMRO BANK N V , London Branch with its registered office at 82
Bishopsgate, London as agent and trustee for the Finance Parties (the
Facility Agent)

Postcode EC2N 4BN

Presentor's name address and
reference (if any)

Allen & Overy LLP
One Bishops Square
London
E1 6AO

For official Use (06/2005)

Mortgage Section

Post room

FRIDAY



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21/12/2007

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COMPANIES HOUSE

Time critical reference

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395

cf 21/12/05

Please see continuation sheets

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in black type, or
bold block
lettering**

Particulars as to commission allowance or discount (note 3)

Nil

Signed Allen + Overy LLP

Date 20 December 2007

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

*A fee 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 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge Cheques and Postal Orders must be made payable to **Companies House**
- 6 The address of the Registrar of Companies is Companies House, Crown Way, Cardiff CF14 3UZ

SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED

1. CREATION OF SECURITY

Without prejudice to the Original Security Agreement and the Security Interests created by the Chargor under the Original Security Agreement, the Chargor charges its present and future assets on the same terms set out in the Original Security Agreement as if the provisions of clause 2 (Creation of security) were set out in full in the Deed

The terms of the Original Security Agreement confirmed by the Deed are as follows

1.1 General

- (a) All the security created under the Original Security Agreement
 - (i) is created in favour of the Facility 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) If the rights of the Chargor under a document cannot be secured without the consent of a party to that document
 - (i) the Chargor must notify the Facility Agent promptly,
 - (ii) this Security will secure all amounts which the Chargor may receive, or has received, under that document but exclude the document itself, and
 - (iii) unless the Facility Agent otherwise requires, the Chargor must use reasonable endeavours to obtain the consent of the relevant party to that document being secured under the Original Security Agreement
- (c) The Facility Agent holds the benefit of the Original Security Agreement on trust for the Finance Parties

1.2 Land

- (a) The Chargor charges
 - (i) by way of a first legal mortgage all estates or interest in any freehold or leasehold property now owned by it, this includes the real property (if any) specified in Schedule 1 (Real Property) to this Form 395 opposite its name but does not include the Thornford 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 other than the Thornford Property,

but in each case excluding any estates or interests in any freehold or leasehold property situated in Scotland

Priory Condoever (Property) Limited (registered as a foreign company under number FC 027630)
Continuation Sheet 2

- (b) A reference in clause 2.2 of the Original Security Agreement to a mortgage or charge of any freehold or leasehold property includes
- (i) all buildings, fixtures, fittings and fixed plant and machinery on that property, 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

1.3 Investments

- (a) The Chargor charges
- (i) by way of a first fixed charge all shares in any member of the Group (other than itself) owned by it or held by any nominee on its behalf, this includes the shares specified in Schedule 2 (Shares) to this Form 395 opposite its name, 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 this Subclause to a mortgage or charge of 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

1.4 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

1.5 Insurances

Subject, in the case of buildings insurance only, to the interests of Propco under the Lease, the Chargor assigns absolutely, 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

1.6 Intellectual property

The Chargor charges by way of a first fixed charge, all of its rights in respect of

- (a) any know-how, patent, trade mark, service mark, design, business name, topographical or similar right, this includes the trademarks specified in Schedule 3 (Intellectual Property Rights) to this Form 395 opposite its name,
- (b) any copyright or other intellectual property monopoly right, or
- (c) any interest (including by way of licence) in any of the above,

in each case whether registered or not and including all applications for the same

1.7 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

1.8 Floating charge

The Chargor charges by way of a first floating charge all its assets not at any time otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, charge or assignment under this Clause except the Thornford Property (including, without limitation, any immoveable Property of that Chargor in Scotland and assets in Scotland falling within any of the types referred to in this clause)

- (a) Except as provided below, the Facility Agent may by notice the Chargor convert the floating charge created by the Chargor under this Subclause 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 Facility 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
- (b) The floating charge created by this Subclause 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, or
 - (iii) to any assets situated in Scotland if, and to the extent that a Receiver would not be capable of exercising his powers in Scotland pursuant to s72 of the Insolvency Act 1986 by reason of such automatic conversion
- (c) The floating charge created by this Subclause will automatically convert into a fixed charge over all of the Chargor's assets if an administrator is appointed or the Facility Agent receives notice of an intention to appoint an administrator
- (d) The floating charge created by this Subclause is a **qualifying floating charge** for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986

2. RESTRICTIONS ON DEALINGS

- (a) The Chargor may not
- (i) create or permit to subsist any Security Interest on any Security Asset, or
 - (ii) sell, transfer, licence, lease or otherwise dispose of any Security Asset,
- except as expressly allowed under the Credit Agreement
- (b) The Chargor may not, without the written consent of the Facility Agent, take or allow the taking of any action on its behalf which may result in the rights attaching to any of its Investments being altered or further shares in the relevant member of the Group being issued

3. VOTING RIGHTS

- (a) Before this Security becomes enforceable
- (i) the voting rights, powers and other rights in respect of the Investments must (if exercisable by the Facility Agent) be exercised in any manner which the relevant Chargor may direct in writing, and
 - (ii) all dividends or other income paid or payable in relation to any Investments must be paid directly to the relevant Chargor

The Chargor must indemnify the Facility Agent against any loss liability incurred by the Facility Agent as a consequence of the Facility Agent acting in respect of the Investments on the direction of the Chargor

- (b) After this Security has become enforceable, the Facility Agent may exercise (in the name of the relevant Chargor and without any further consent or authority on the part of the relevant Chargor) any voting rights and any powers or rights which may be exercised by the legal or beneficial owner of any Investment, any person who is the holder of any Investment or otherwise

4. CONSTRUCTION

- (a) Capitalised terms defined in the Original Security Agreement have, unless expressly defined in the Deed, the same meaning in the Deed
- (b) The provisions of clause 1.2 (Construction) of the Original Security Agreement apply to the Deed as though they were set out in full in Deed, except that references to the Original Security Agreement will be construed as references to the Deed
- (c) (i) The term **Finance Document** includes all amendments and supplements including supplements providing for further advances, and
- (ii) the term **this Security** means any security created by the Original Security Agreement
- (d) Any covenant of the Chargor under the Original Security Agreement (other than a payment obligation) remains in force during the Security Period
- (e) The terms of the other Finance Documents and of any side letters between any Parties in relation to any Finance Document are incorporated in the Original Security Agreement to the extent required to ensure that any purported disposition of any freehold or leasehold property contained in the Original

Priory Condoover (Property) Limited (registered as a foreign company under number FC 027630)
Continuation Sheet 5

Security Agreement is a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989

- (f) If the Facility Agent considers that an amount paid to a Finance Party under a Finance Document is reasonably likely to be capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of the Original Security Agreement
- (g) Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of sale of that Security Asset

In this Form 395

Accession Agreement means a letter, substantially in the form of schedule 8 (Form of Accession Agreement) to the Credit Agreement, with such amendments as the Facility Agent and the Company may agree

Additional Borrower means an Additional Capex Borrower or an Additional Working Capital Borrower

Additional Capex Borrower means a member of the Group which becomes a Capex Borrower after the date of the Credit Agreement

Additional Guarantor means a member of the Group which becomes a Guarantor after the date of the Credit Agreement

Additional Obligor means an Additional Borrower or an Additional Guarantor

Additional Working Capital Borrower means a member of the Group which becomes a Working Capital Borrower after the date of the Credit Agreement

Administrative Party means the Arranger, the Issuing Bank or the Facility Agent

Agreement for Lease means any agreement by any Capex Borrower to grant a Lease of all or part of its interest in any Property

Arranger means ABN AMRO Bank N V , London Branch

Calendar Year means the period commencing on 1 January and expiring on 31 December of each year

Capex Borrower means an Original Capex Borrower or an Additional Capex Borrower

Company means Priory Central Services Limited (registered in England and Wales number 04391278)

Credit Agreement means the £120,000,000 capital expenditure and working capital facilities agreement dated 20 August 2007 between (among others) Priory Central Services Limited and the Facility Agent

Event of Default means an event specified as such in Clause 24 (Default) of the Credit Agreement

Existing Property means a real estate asset of the Group listed in schedule 12 (Property) to the Credit Agreement

Existing TradeCo means each of

- (a) Priory Rehabilitation Services Limited,

Priory Condoover (Property) Limited (registered as a foreign company under number FC 027630)
Continuation Sheet 6

- (b) Priory Secure Services Limited,
- (c) Priory Healthcare Limited,
- (d) Priory Education Services Limited,
- (e) Priory Securitisation Limited,
- (f) North Hill House Limited,
- (g) Farleigh Schools Limited,
- (h) Eastwood Grange Company Limited,
- (i) Chelfham Senior School Limited,
- (j) Rossendale School Limited,
- (k) Autism (GB) Limited,
- (l) Solutions (Ross) Limited,
- (m) Priory Grange (Holdings) Limited,
- (n) Mark College Limited, and
- (o) Coxlease School Limited

Facility means a credit facility made available under the Credit Agreement

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

Finance Document means

- (a) the Credit Agreement,
- (b) a Security Document,
- (c) a Subordination Agreement,
- (d) a Fee Letter,
- (e) the Hedging Letter,
- (f) a Transfer Certificate,
- (g) an Accession Agreement,
- (h) a Resignation Request,
- (i) a Hedging Document, or
- (j) any other document designated as such by the Facility Agent and the Company

Priory Condoover (Property) Limited (registered as a foreign company under number FC 027630)
Continuation Sheet 7

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

Glasgow Property Interests means **ALL and WHOLE** of the tenant's interest in and to the Lease between Priory Finance Property LLP and PHL dated or to be dated on or around the date of this Security Agreement and to be registered in the Land Register of Scotland in respect of (First) those subjects at Numbers 38 and 40 Mansionhouse Road, Glasgow registered in the Land Register of Scotland under Title Number GLA120213 and (Second) those subjects at Number 40 Mansionhouse Road, Glasgow registered in the Land Register of Scotland under Title Number GLA108784

Group means PHC1 and its Subsidiaries, and, for the purposes of Clause 20 (Financial covenants) of the Credit Agreement in respect of any Relevant Period ending less than 12 months after the last Trading Completion, the term "Group" shall also include each of the Existing TradeCos in respect of the period prior to the Trading Completion which resulted in that Existing TradeCo having transferred the entirety of its business and assets to one or more Obligors, with a view to obtaining (without double counting) last 12 month figures for the business and assets owned and operated by PHC1 and its Subsidiaries

Guarantor means an Original Guarantor or an Additional Guarantor

Hedging Bank means any person which becomes a party to the Credit Agreement as a Hedging Bank under clause 32.9 (Hedging Banks) of the Credit Agreement in its capacity as provider of hedging arrangements under Hedging Documents

Hedging Documents means any ISDA master agreement and other interest hedging agreements or documents which may be entered into by a member of the Group in connection with the hedging of interest payable under the Finance Documents

Hedging Letter means a letter dated on or about the date of the Credit Agreement between the Company and the Facility Agent relating to the interest rate hedging to be effected by 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 in clause 1.1 (Definitions) of the Original Security Agreement,
- (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

Issuing Bank means ABN AMRO Bank N V , London Branch

Lease means any present or future lease, underlease, sub-lease, licence, tenancy or right to occupy in each case howsoever described whether on a fixed term or periodic basis governing the use or occupation of any freehold or leasehold property or any part of it and includes any Agreement for Lease

Lender means

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

New TradeCo means each of the Company, Priory Education Services Limited, Priory Secure Services Limited, Priory Rehabilitation Services Limited and Priory Healthcare Limited

Priory Condoover (Property) Limited (registered as a foreign company under number FC 027630)
Continuation Sheet 8

Obligor means an Original Obligor or an Additional Obligor

Original Borrower means an Original Capex Borrower or an Original Working Capital Borrower

Original Capex Borrowers means the entities listed in schedule 1 (Original Parties) to the Credit Agreement as original capex borrowers

Original Guarantors means the entities listed in schedule 1 (Original Parties) to the Credit Agreement

Original Lender means the financial institution listed in schedule 1 (Original Parties) to the Credit Agreement as original lender

Original Obligor means an Original Borrower or an Original Guarantor

Original Security Agreement means the security agreement dated 22 August, 2007 between, amongst others, the Chargor and the Facility Agent

Original Working Capital Borrowers means the entities listed in schedule 1 (Original Parties) to the Credit Agreement as original working capital borrowers

PHC1 means Priory Holdings Company No 1 Limited (registered in the Cayman Islands with number 187000)

PHL means Priory Healthcare Limited, a company incorporated in England and Wales under the Companies Act 1985 (as amended) (company number 6244860) and having its registered office at Priory House, Randalls Way, Leatherhead, Surrey KT22 7TP

Propco means Priory Finance Property LLP (registered in England and Wales number OC315650)

Property means

- (a) each Existing Property, and
- (b) any other present or future freehold or leasehold property in which a member of the Group has or acquires or will acquire an interest

Quarterly End Date means the Quarterly End Date as defined in the Credit Agreement

Relevant Period means

- (a) on or before 30 September 2007, each period commencing on 1 October 2006 and ending on a Quarterly End Date, and
- (b) thereafter, each period of 12 months ending on a Quarterly End Date

Resignation Request means a letter in the form of schedule 9 (Form of Resignation Request) to the Credit Agreement, with such amendments as the Facility Agent and the Company may agree

Security Agreement means

- (a) the Original Security Agreement, and
- (b) any standard security granted by an Obligor in favour of the Facility Agent relating to a Property situated in Scotland,

Priory Condoever (Property) Limited (registered as a foreign company under number FC 027630)
Continuation Sheet 9

each in the agreed form and to be dated on or about the first Utilisation Date

Security Assets means all assets of the Chargor the subject of any security created by the Original Security Agreement

Security Document means

- (a) each Security Agreement,
- (b) each Supplemental Security Agreement, or
- (c) any other document evidencing or creating security over any asset of an Obligor to secure any obligation of any Obligor to a Finance Party under the Finance Documents

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

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

Shares means the shares listed in Schedule 2 (Shares) to this Form 395

Subordination Agreement means the subordination agreement entered into or to be entered into between, among others, the Facility Agent, each Obligor and certain other members of the Group on or about the date of the Credit Agreement or any other subordination agreement entered into by (amongst others) members of the Group and the Facility Agent subordinating the rights of creditors or members of the Group to the rights of the Finance Parties under the Finance Documents

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 and **control** for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise

Supplemental Security Agreement means a supplemental security agreement entered into by an Obligor in the form of schedule 13 (Form of Supplemental Security Agreement) of the Credit Agreement with such amendments as the Facility Agent may approve or reasonably require or, in the case of any Property located in Scotland, a standard security governed by Scots law entered into by an Obligor in form and substance satisfactory the Facility Agent

Thornford Property means all that land owned by Blenheim Healthcare Limited comprising an athletics track at Thornford Park, Crookham Common, Thatcham, Berkshire RG19 8ET being the remainder of the land comprised in Title number BK335895

Trading Asset Transfer Agreement means each agreement entered into by an Existing TradeCo and a New TradeCo, dated 4 June 2007 and related to the sale (or purported sale) of certain assets to, and assumption of certain liabilities by, that New TradeCo

Trading Completion in respect of a Trading Asset Transfer Agreement has the meaning given to "Completion" in that Trading Asset Transfer Agreement

Transfer Certificate means a certificate substantially in the form of schedule 6 (Form of Transfer Certificate), to the Credit Agreement, with such amendments as the Facility Agent may approve or reasonably require or any other form agreed between the Facility Agent and the Company

Priory Condoover (Property) Limited (registered as a foreign company under number FC 027630)
Continuation Sheet 10

Utilisation Date means each date on which a Facility is utilised

Working Capital Borrower means an Original Working Capital Borrower or an Additional Working Capital Borrower

SCHEDULE 1

REAL PROPERTY

EXISTING PROPERTY

PROPERTY (operational entity)	PROPERTY (full address)	TENURE/TITLE NUMBER	CURRENT OWNER
Bristol	Priory Hospital Bristol, Heath House Lane, off Bell Hill, Bristol BS16 1EQ as demised by a lease dated 4 June 2007 and being part of the freehold property registered under title number AV204454	999 year lease commencing 4 June 2007	Priory Bristol (Property) Limited
Marchwood	The Cottage, Marchwood Park, Marchwood, Southampton SO40 4WU	Freehold HP274005	Priory Bristol (Property) Limited
Felden Croft	Paddock at Longcroft Lane Hemel Hempstead Hertfordshire HP3 OBN as transferred by a transfer dated 4 June 2007 being part of the property registered under title number HD421701	Freehold HD421701	Priory Hemel Grange (Property) Limited
Eastwood Grange	Gatehouse and land and building at Eastwood Grange School, Milken Lane, Ashover, Derbyshire as transferred by a transfer dated 4 June 2007 being part of the property registered under title number DY212755	Freehold DY212755	Priory Eastwood Grange (Property) Limited
Eden Grove	Building and forecourt adjoining Church Gates Eden Grove School, Bolton, Appleby, Cumbria CA16 6AJ as transferred by a transfer dated 4 June 2007 being part of the property registered under title number CU216489	Long leasehold (999 year) CU216489	Priory Condover (Property) Limited
Jacques Hall	Gatehouse at Jacques Hall Foundation, Harwich Road, Manningtree, Essex CO11 2XW as transferred by a transfer dated 4 June 2007 being part of the property registered under title number EX759409	Long leasehold (999 year) EX759409	Priory Jacques Hall (Property) Limited
Sheridan House	Land at Sheridan House School, Southborough, Thetford, Norfolk IP25 7TJ as transferred by a transfer dated 4 June 2007 being part of the property registered under title number NK334545	Long leasehold (999 year) NK334545	Priory Condover (Property) Limited
Solutions	The Old Rectory, Hope under Dinmore, Leominster, Herefordshire HR6 0PW as transferred by a transfer dated 4 June 2007	Freehold HW173440	Priory Solutions (Property) Limited
Tadley Court	Cottage, Car Park and former tunnels at Tadley Court, Tadley, Hampshire RG26 3TB as transferred by a transfer dated 4 June 2007 being part of the property registered under title number HP666702	Long leasehold (999 year) HP666702	Priory Tadley Court (Property) Limited
Mark College	Land on the north side of Mark College, Blackford Road, Mark, Highbridge, Somerset as transferred by a transfer dated 4 June 2007	Freehold ST89455	Priory Mark College (Property) Limited
Condover	Condover Hall, Condover, Shrewsbury, Shropshire SY5 7AH as demised by a lease dated 4 June 2007 and comprised in the freehold title SL165532	999 year lease commencing 4 June 2007 Not yet registered	Priory Condover (Property) Limited
Condover	Two Acre Cottage, Condover, Shrewsbury, Shropshire, SY5 7AH as demised by a lease dated 4 June 2007 and comprised in freehold title number SL168041	999 year lease commencing 4 June 2007 Not yet registered	Priory Eden Grove (Property) Limited
Widnes	Land at Bennets Lane, Shell Green, Widnes as demised by a lease dated 4 June 2007 being part of the property comprised in the freehold title number CH550243	999 year lease commencing 4 June 2007 Not yet registered	Priory Widnes (Property) Limited

Priory Condover (Property) Limited (registered as a foreign company under number FC 027630)
Continuation Sheet 12

PROPERTY (operational entity)	PROPERTY (full address)	TENURE/TITLE NUMBER	CURRENT OWNER
Ticehurst House	Remainder of land at Ticehurst, Wadhurst, Surrey GU21 2QF as transferred by a transfer dated 4 June 2007	Freehold ESX235200	Priory Healthcare Limited
Coombe House	Coombe House, Coleford, Crediton, Devon, EX17 5BY as transferred by a transfer dated 4 June 2007	Freehold DN338803	Priory Coombe House (Property) Limited
London flat	Flat 5 Eaton House, 39-40 Upper Grosvenor Street, London W1K 2NG as transferred by a transfer dated 4 June 2007	65 year leasehold expiring 22 December 2034 NGL207266	Subject to receipt of Landlord's consent Priory Central Services Limited (4391278)
Ticehurst House	Filterbed Ticehurst, Wadhurst, Surrey GU21 2QF as transferred by a transfer dated 4 June 2007	Freehold ESX268934	Priory Healthcare Limited
Thornford Park	Land and buildings on west side of Brimpton Road, Crookham Common, Thatcham, Berks RG19 8ET as transferred by a transfer dated 4 June 2007	Freehold BK335895	Priory Secure Services Limited
FEC Frome	Plots 1-4 Sandusky Mews, Monmouth Drive, Frome BA1 2AU as transferred by a transfer dated 4 June 2007	Freehold WS37288	Priory Condover (Property) Limited
Farleigh College	Plot 3 Waters Edge, Mendip Road Stoke St Michael, Somerset BA3 5GA as transferred by a transfer dated 4 June 2007	Freehold WS34963	Priory Condover (Property) Limited
Coxlease School	High Coxlease House, Clay Hill, Lyndhurst as demised by a lease dated 4 June 2007 and comprised in the freehold title number HP201677	999 year lease commencing 4 June 2007 Not yet registered	Priory Condover (Property) Limited
Coxlease School	52 Hill Lane, Southampton SO15 5AZ as demised by a lease dated 4 June 2007 and comprised in the freehold title number HP484601	999 year lease commencing 4 June 2007 Not yet registered	Priory Condover (Property) Limited
Coxlease School	34 Hanley Road, Shirley, SO15 5AN as demised by a lease dated 4 June 2007 and comprised in the freehold title number HP243823	999 year lease commencing 4 June 2007 Not yet registered	Priory Condover (Property) Limited
Coxlease School	36 Shirley Avenue, Southampton SO15 5NG as demised by a lease dated 4 June 2007 and comprised in the freehold title number HP147328	999 year lease commencing 4 June 2007 Not yet registered	Priory Condover (Property) Limited
Farleigh FEC - Swindon	89 Okus Road, Swindon SN1 4LE as transferred by a transfer dated 4 June 2007	Freehold WT252754	Priory Condover (Property) Limited
Farleigh FEC - Frome	16 Delta Close, Frome BA11 3AH as transferred by a transfer dated 4 June 2007	Freehold WS12857	Priory Condover (Property) Limited

OPCO LEASEHOLD PROPERTY

PROPERTY (operational entity)	PROPERTY (full address)	TENANT
Altrincham	Priory Hospital, Altrincham, Rappax Road, Altrincham, Cheshire WA15 0NX	Priory Healthcare Limited
Bristol	Priory Hospital Bristol, Heath House Lane, off Bell Hill, Bristol BS16 1EQ	Priory Healthcare Limited
Bristol	Highwood House, Heath House Lane, Purdown, Bristol BS16 1EQ	Priory Rehabilitation Services Limited
Chelmsford	Priory Hospital Chelmsford, Stumps Lane, Springfield Green, Springfield, Chelmsford, Essex CM1 7SJ	Priory Healthcare Limited
Farm Place	Farm Place, Stane Street, Ockley Nr Dorking Surrey RH5 4NG	Priory Healthcare Limited
Farm Place (Coach House)	25 Brighton Road, Salfords, Nr Redhill, Surrey RH1 6PP	Priory Healthcare Limited

Priory Condoover (Property) Limited (registered as a foreign company under number FC 027630)
Continuation Sheet 13

PROPERTY (operational entity)	PROPERTY (full address)	TENANT
Glasgow	Priory Hospital, 38 Mansionhouse Road, Langside, Glasgow	Priory Healthcare Limited
Glasgow	Priory Hospital, 40 Mansionhouse Road, Langside, Glasgow	Priory Healthcare Limited
Hayes Grove	Priory Hospital, Hayes Grove, Prestons Road, Hayes, Bromley, Kent BR2 7AS	Priory Healthcare Limited
Brighton and Hove	The Priory Clinic Hove, 14-18 New Church Road, Hove, East Sussex BN3 4FH	Priory Healthcare Limited
Hove/Sackville	Angus Nursing Homes, 22-24 Sackville Gardens, Hove	Priory Education Services Limited
Preston	Priory Hospital, Rosemary Lane, Bartle, Preston PR4 0HB	Priory Healthcare Limited
Marchwood	Priory Hospital, Hythe Road, Marchwood, Southampton SO40 4WU	Priory Healthcare Limited
North London	Priory Hospital, Grovelands House, The Bourne, Southgate, London N14 6RA	Priory Healthcare Limited
Nottingham	Priory Clinic, Ransom Road, Nottingham NG3 5GS	Priory Healthcare Limited
Roehampton	Priory Hospital Roehampton Lane, London SW15 5JJ	Priory Healthcare Limited
Ticehurst House	The Priory, Ticehurst House, Ticehurst, Wadhurst, East Sussex TN5 7HU	Priory Healthcare Limited
Woking	Priory Hospital, Cobham Road, Knaphill, Woking, Surrey GU21 2QF	Priory Healthcare Limited
Woking	Helipad and land adjoining Priory Hospital, Woking	Priory Healthcare Limited
Woodbourne	Woodbourne Priory, 21 Woodbourne Road, Edgbaston, Birmingham B17 8BY	Priory Healthcare Limited
Sturt	Priory Hospital, Sturts Lane, Walton-on-the-Hill, Surrey KT20 7RQ	Priory Healthcare Limited
Chadwick Lodge	Chadwick Lodge, Chadwick Drive, off Saxon Street, Eagleston, Milton Keynes MK6 5LS	Priory Secure Services Limited
Chadwick Lodge	Chadwick II, Chadwick Drive, Eaglestone, Milton Keynes	Priory Secure Services Limited
Farmfield	Farmfield, Charlwood Road, Hookwood, Surrey	Priory Secure Services Limited
Heathfield	The Priory Grange, Tottingworth Park, Heathfield, East Sussex TN2 8UN	Priory Rehabilitation Services Limited
Felden Croft	Hemel Grange (formerly known as Felden Croft Nursing Home) Longcroft Lane, Hemel Hempstead, Hertfordshire HP3 0BN and the adjoining paddock	Priory Rehabilitation Services Limited
Thornford Park	Thornford Park, Crookham Common, Thatcham, Berkshire RG19 8ET (Excluding Athletics Track)	Priory Rehabilitation Services Limited
Egerton Road	18 Egerton Road, Bexhill-on-Sea, East Sussex TN39 3HH	Priory Rehabilitation Services Limited
Highbank	Highbank, The Elton Unit, Walshaw Road, Lancashire BL8 3AS	Priory Rehabilitation Services Limited
Highbank	Highbank, Walmersley House, Walmersley Road, Bury, Lancashire BL9 5LX	Priory Rehabilitation Services Limited
Sketchley Hall	Sketchley Hall, Manor Way, Sketchley Village, Burbage, Leicestershire LE10 3HT	Priory Education Services Limited
Unsted Park	Unsted Park Hospital, Munstead Heath, Godalming, Surrey GU7 1UW	Priory Education Services Limited
The Vines	The Vines, Innhams Wood, Crowborough, East Sussex TN6 1TE	Priory Rehabilitation Services Limited
Potters Bar	Aspen House, 190 Barnet Road, Potters Bar, Hertfordshire EN6 2SE	Priory Rehabilitation Services Limited
St Neots	Beech House, Howitt's Lane, Eynesbury, St Neots, Cambridgeshire PE19 2JA	Priory Rehabilitation Services Limited
Chelfham	Kilworthy House, Tavistock, West Devon PL19 0JN	Priory Education Services Limited
Chelfham	Ward House, Bere Alston, Yelverton, West Devon PL20 7EX	Priory Education Services Limited

Priory Condoover (Property) Limited (registered as a foreign company under number FC 027630)
Continuation Sheet 14

PROPERTY (operational entity)	PROPERTY (full address)	TENANT
Eastwood Grange	Eastwood Grange School, Milken Lane, Ashover, Derbyshire	Priory Education Services Limited
Eden Grove	Eden Grove School, Bolton, Appleby, Cumbria CA16 6AJ	Priory Education Services Limited
Eden Grove	Croft House, The Hayloft, The Barn and The Granary	Priory Education Services Limited
Farleigh College	Newbury House, Chanty Lane, Mells, Frome, Somerset	Priory Education Services Limited
Farleigh College	Land forming part of Newbury Farm, Newbury Farm, Mells, Frome	Priory Education Services Limited
Farleigh College	Land to the west of Newbury House, Chanty Lane, Mells, Frome	Priory Education Services Limited
Farleigh College	Walled Garden at Newbury House, Chanty Lane, Mells, Frome	Priory Education Services Limited
Farleigh FEC – Frome	North Hill House, North Parade, Somerset BA11 2AB	Priory Education Services Limited
Farleigh FEC - Frome	Four Winds, 19 Bath Road, Frome, Somerset, BA11 2JH	Priory Education Services Limited
Farleigh FEC - Frome	Plot 19, Ashleigh Grove, Trowbridge, Wiltshire	Priory Education Services Limited
Farleigh FEC - Frome	Plot 20, Ashleigh Grove, Trowbridge, Wiltshire	Priory Education Services Limited
North Hill House	Stoneleigh House, Fromefield, Frome, Somerset BA11 2HB	Priory Education Services Limited
North Hill House	8 & 8a Christchurch Street, Frome, Somerset	Priory Education Services Limited
Farleigh FEC - Swindon	Okus House, 105 Bath Road, Swindon SN1 4AX	Priory Education Services Limited
Horizon	Horizon School, Blithbury, Litchfield, Staffordshire	Priory Education Services Limited
Horizon	Moreton House (aka Mayfield House), Bishton Lane, Wolsley Bridge, ST18 0XD	Priory Education Services Limited
Jacques Hall	Jacques Hall Foundation, Harwich Road, Manningtree, Essex CO11 2XW	Priory Education Services Limited
Jacques Hall	Orchard House, Clacton Road, Weeley Heath, Essex CO16 9EF	Priory Education Services Limited
Radstock	The Rookery, Wells Road, Radstock BA3 3RS	Priory Education Services Limited
Rossendale	Moor Side Farm, Moor Side Lane, Shuttleworth and land on the south west of Rochdale Road, Shuttleworth	Priory Education Services Limited
Rossendale	10 and 11 Sally Barn Cottages, Holme Lane, Rawtenstall BB4 6JD	Priory Education Services Limited
Rossendale	The Volunteer Inn, 34 Turnpike New Church	Priory Education Services Limited
Sherdan House	Sherdan House School, Southborough, Thetford, Norfolk IP25 7TJ	Priory Education Services Limited
Solutions	Callow Hills Farm, Hereford Road, Ledbury, Herefordshire HR8 2PZ	Priory Education Services Limited
Solutions	Talocher Farm, Wonastow Road, Monmouth, Monmouthshire NP25 4DN	Priory Education Services Limited
Solutions	Grosvenor House, Gloucester Road, Ross-on-Wye, Herefordshire, HR9 5NA	Priory Education Services Limited
Solutions	Goodrich, Nr Ross on Wye, Herefordshire, HR9	Priory Education Services Limited
Solutions	Fairview House, Foy, Ross on Wye Herefordshire HR9 6RB	Priory Education Services Limited
Tadley Court	Tadley Court, Tadley, Hampshire RG26 3TB	Priory Education Services Limited
Mark College	Mark College, Blackford Road, Mark, Highbridge, Somerset	Priory Education Services Limited

SCHEDULE 2

SHARES

Charging Company	Description of Shares held	Company in which Shares are held
Priory Holdings Company No 3 Limited	301,263	Priory Central Services Limited
Priory Holdings Company No 2 Limited	2	Priory Bristol (Property) Limited
Priory Holdings Company No 2 Limited	2	Priory Chadwick Lodge (Property) Limited
Priory Holdings Company No 2 Limited	2	Priory Coach House (Property) Limited
Priory Holdings Company No 2 Limited	2	Priory Condoover (Property) Limited
Priory Holdings Company No 2 Limited	2	Priory Coombe House (Property) Limited
Priory Holdings Company No 2 Limited	2	Priory Eastwood Grange (Property) Limited
Priory Holdings Company No 2 Limited	2	Priory Eden Grove (Property) Limited
Priory Holdings Company No 3 Limited	10,000	Priory Education Services Limited
Priory Holdings Company No 2 Limited	2	Priory Farm Place (Property) Limited
Priory Holdings Company No 3 Limited	10,000	Priory Healthcare Limited
Priory Holdings Company No 2 Limited	2	Priory Hemel Grange (Property) Limited
Priory Holdings Company No 1 Limited	2	Priory Holdings Company No 2 Limited
Priory Holdings Company No 2 Limited	2	Priory Holdings Company No 3 Limited
Priory Holdings Company No 2 Limited	2	Priory Hove (Property) Limited
Priory Holdings Company No 2	2	Priory Jacques Hall (Property) Limited

Priory Condoover (Property) Limited (registered as a foreign company under number FC 027630)
Continuation Sheet 16

Charging Company	Description of Shares held	Company in which Shares are held
Limited		
Priory Holdings Company No 2 Limited	2	Priory Marchwood (Property) Limited
Priory Holdings Company No 2 Limited	2	Priory Mark College (Property) Limited
Priory Holdings Company No 2 Limited	2	Priory Nottingham (Property) Limited
Priory Holdings Company No 3 Limited	10,000	Priory Rehabilitation Services Limited
Priory Holdings Company No 2 Limited	2	Priory Roehampton (Property) Limited
Priory Holdings Company No 3 Limited	10,000	Priory Secure Services Limited
Priory Holdings Company No 2 Limited	2	Priory Sheridan House (Property) Limited
Priory Holdings Company No 2 Limited	2	Priory Sketchley Hall (Property) Limited
Priory Holdings Company No 2 Limited	2	Priory Solutions (Property) Limited
Priory Holdings Company No 2 Limited	2	Priory Sturt (Property) Limited
Priory Holdings Company No 2 Limited	2	Priory Tadley Court (Property) Limited
Priory Holdings Company No 2 Limited	2	Priory Unsted Park (Property) Limited
Priory Holdings Company No 2 Limited	2	Priory Widnes (Property) Limited



SCHEDULE 3

INTELLECTUAL PROPERTY RIGHTS

Trade Mark Registrations and Applications

Country	Trademark	Classes	Application No.	APP Date	Status	Reg no	Expiry Date	Proprietor
CTM	PRIORY	3,5,9,16,25,35,36	003378866	02 Oct 2003	Registered	003378866	02 Oct 2013	Priory Healthcare Limited
CTM	<u>PRIORY</u>	41, 43, 44	003726957	30 Mar 2004	Registered	003726957	30 Mar 2014	Priory Healthcare Limited
India	PRIORY	5,9,16,35,41,43, 44	1489228	20 Sep 2006	Pending			Priory Healthcare Limited
South Africa	PRIORY	3	2003/17450	03 Oct 2003	Pending			Priory Healthcare Limited
South Africa	PRIORY	5	2003/17451	03 Oct 2003	Pending			Priory Healthcare Limited
South Africa	PRIORY	9	2003/17452	03 Oct 2003	Pending			Priory Healthcare Limited
South Africa	PRIORY	16	2003/17453	03 Oct 2003	Pending			Priory Healthcare Limited
South Africa	PRIORY	25	2003/17454	03 Oct 2003	Pending			Priory Healthcare Limited
South Africa	PRIORY	35	2003/17455	03 Oct 2003	Pending			Priory Healthcare Limited
South Africa	PRIORY	36	2003/17456	03 Oct 2003	Pending			Priory Healthcare Limited

Priory Condoover (Property) Limited (registered as a foreign company under number FC 027630)
Continuation Sheet 18

Country	Trademark	Classes	Application No.	APP Date	Status	Reg no	Expiry Date	Proprietor
South Africa	PRIORY	41	2003/17457	03 Oct 2003	Pending			Priory Healthcare Limited
South Africa	PRIORY	43	2003/17458	03 Oct 2003	Pending			Priory Healthcare Limited
South Africa	PRIORY	44	2003/17459	03 Oct 2003	Pending			Priory Healthcare Limited
UK		5,9,16,35,36,42	2117780	05 Dec 1996	Expired	2117780	N/A	Priory Healthcare Limited
UK	PRIORY	5,9,35,36,42	2117772A	05 Dec 1996	Registered	2117772A	05 Dec 2016	Priory Healthcare Limited
UK	PRIORY	3,9,35,41	2344909	02 Oct 2003	Registered	2344909	02 Oct 2013	Priory Healthcare Limited
UK	 PRIORY	5,9,35,36,42	2117772B	05 Dec 1996	Registered	2117772B	05 Dec 2016	Priory Healthcare Limited
USA	PRIORY	3	78310944	08 Oct 2003	Registered	3065021	07 Mar 2016	Priory Healthcare Limited
USA	PRIORY	5	78311100	08 Oct 2003	Registered	3057105	07 Mar 2016	Priory Healthcare Limited
USA	PRIORY	43	78311134	08 Oct 2003	Registered	3019660	29 Nov 2015	Priory Healthcare Limited
USA	PRIORY	44	78311144	08 Oct 2003	Registered	3065022	07 Mar 2016	Priory Healthcare Limited
USA	PRIORY	9	78311297	09 Oct	Registered	2966425	12 Jul 2015	Priory Healthcare

Priory Condoover (Property) Limited (registered as a foreign company under number FC 027630)
Continuation Sheet 19

Country	Trademark	Classes	Application No.	APP Date	Status	Reg no	Expiry Date	Proprietor
				2003				Limited
USA	PRIORY	35	78311300	09 Oct 2003	Registered	2947775	10 May 2005	Priory Healthcare Limited
USA	PRIORY	41	78311301	09 Oct 2003	Registered	2975749	26 Jul 2015	Priory Healthcare Limited

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No FC027630

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A CONFIRMATORY SECURITY AGREEMENT DATED THE 11th DECEMBER 2007 AND CREATED BY PRIORY CONDOVER (PROPERTY) LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM EACH OBLIGOR TO ANY FINANCE PARTY ON ANY ACCOUNT WHATSOEVER 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 21st DECEMBER 2007.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 31st DECEMBER 2007.

LMH
PO



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES