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CHFP041

COMPANIES FORM No. 466(Scot)

Particulars of an instrument of alteration to a floating charge created by a company registered in Scotland

466

A fee of £13 is payable to Companies House in respect of
each register entry for a mortgage or charge.

Please do not
write in
this margin

Pursuant to section 410 and 466 of the Companies Act 1985

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

* insert full name
of company

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

For official use

Company number

☐ ☐ 7

SC224907

Name of company

*AFFINITY HOSPITALS GROUP LIMITED (the **Additional Chargor**)

Date of creation of the charge (note 1)

18 March 2010

Description of the instrument creating or evidencing the charge or of any ancillary document which has been
altered (note 1)

Deed of accession to a security agreement dated 18 March 2010 (the **Deed**)

Names of the persons entitled to the charge

The Royal Bank of Scotland plc as Security Agent

Short particulars of all the property charged

Please see part 1 of the paper apart.

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

Dundas & Wilson CS LLP
Saltire Court
20 Castle Terrace
Edinburgh EH1 2EN

For official use (05/2009)

Charges Section

Post room

THURSDAY



S6YFQISB

SCT

01/04/2010

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COMPANIES HOUSE

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

Please see part 2 of the paper apart.

Date(s) of execution of the instrument of alteration

18 March 2010

A statement of the provisions, if any, imposed by the instrument of alteration prohibiting or restricting the creation by the company of any fixed security or any other floating charge having priority over, or ranking *pari passu* with, the floating charge

1. Undertakings of the Subordination Obligors

(a) Except as provided in paragraph (b) below, no Subordination Obligor will:
(i) create or allow to exist any Security over any of its assets for any of the Subordinated Debt.

(b) Notwithstanding paragraph (a) above, a Subordination Obligor may:

(i) do anything prohibited by paragraph (a) above if the Facility Agent agrees;

2. Undertakings of Subordinated Creditors

(a) Except as provided below, no Subordinated Creditor will:

(i) allow to exist or receive any Security for any of the Subordinated Debt;
(ii) allow to exist or receive any guarantee or other assurance against loss in respect of any of the Subordinated Debt;

(b) Notwithstanding paragraph (a) above, a Subordinated Creditor may:

(i) do anything prohibited by paragraph (a) above if the Facility Agent agrees.

Short particulars of any property released from the floating charge

N/A

The amount, if any, by which the amount secured by the floating charge has been increased

N/A

A statement of the provisions, if any, imposed by the instrument of alteration varying or otherwise regulating the order of the ranking of the floating charge in relation to fixed securities or to other floating charges

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

1. Undertakings of the Subordination Obligors

(a) Except as provided in paragraph (b) below, no Subordination Obligor will:

(i) create or allow to exist any Security over any of its assets for any of the Subordinated Debt; or

(ii) take or omit to take any action which might impair the subordination achieved or intended to be achieved by the Subordination Agreement.

(b) Notwithstanding paragraph (a) above, a Subordination Obligor may:

(i) do anything prohibited by paragraph (a) above if the Facility Agent agrees;

(ii) make payments of principal and interest in respect of any Equity Cure Loan from the proceeds of an Equity Cure Repayment, at a time when no Event of Default is outstanding and the nature of the payment has been disclosed to the Facility Agent; and

(iii) make payments of principal and interest or effect a discharge by set-off in respect of any Intra-Group Debt at a time when no Event of Default is continuing or could reasonably be expected to result from such payment.

2. Undertakings of Subordinated Creditors

(a) Except as provided below, no Subordinated Creditor will:

(i) demand or receive payment of, or any distribution in respect or on account of, any of the Subordinated Debt in cash or in kind from an Obligor or any other source;

(ii) apply any money or assets in discharge of any Subordinated Debt;

(iii) discharge any of the Subordinated Debt by set-off;

(iv) allow to exist or receive any Security for any of the Subordinated Debt;

(v) allow to exist or receive any guarantee or other assurance against loss in respect of any of the Subordinated Debt;

(vi) allow any of the Subordinated Debt to be evidenced by a negotiable instrument; or

(vii) take or omit to take any action which might impair the subordination achieved or intended to be achieved by Subordination Agreement

(b) Notwithstanding paragraph (a) above, a Subordinated Creditor may:

(i) do anything prohibited by paragraph (a) above if the Facility Agent agrees;

(ii) if it is Holdco, receive a payment from a Subordination Obligor which is permitted under Subclause 2.1 (Undertakings of the Obligors) of the Subordination Agreement; and

(iii) if it is an Intra-Group Creditor, receive a payment from a Subordination Obligor which is permitted under Subclause 2.1 (Undertakings of the Obligors) of the Subordination Agreement.

3. Non-competition

Unless:

(a) the Senior Debt has been irrevocably paid in full; or

(b) the Facility Agent otherwise directs,

no Subordinated Creditor will by virtue of any payment or performance by it under the Deed or by virtue of the operation of any Clause of the Subordination Agreement:

(i) receive, claim or have the benefit of any payment, distribution or security from or on account of any Subordination Obligor or other person.

Continued Over

COM466/3

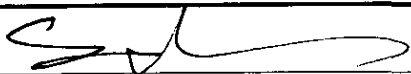
Continuation of the statement of the provisions, if any, imposed by the instrument of alteration varying or otherwise regulating the order of the ranking of the floating charge in relation to fixed securities or to other floating charges

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

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

Signed



Date

1 April
~~March~~ 2010

On behalf of [company] [chargee] †

† delete as
appropriate

Notes

1. A description of the instrument e.g. "Instrument of Charge" "Debenture" etc as the case may be, should be given. For the date of creation of a charge see section 410(5) of the Companies Act.
2. In accordance with section 466(1) the instrument of alteration should be executed by the company, the holder of the charge and the holder of any other charge (including a fixed security) which would be adversely affected by the alteration.
3. A certified copy of the instrument of alteration, together with this form with the prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of execution of that instrument.
4. A certified copy must be signed by or on behalf of the person giving the certification and where this is a body corporate it must be signed by an officer of that body.
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 are to be made payable to **Companies House**.
6. The address of the Registrar of Companies is: Companies Registration Office, 139 Fountainbridge, Edinburgh, EH3 9FF. DX 235 Edinburgh or LP - 4 Edinburgh 2

This is the paper apart to the foregoing form 466 relative to a deed of accession to a security agreement between, amongst others, Affinity Hospitals Group Limited and The Royal Bank of Scotland plc as Security Agent dated 18 March 2010

PART 1 – SHORT PARTICULARS OF THE PROPERTY CHARGED

1. ACCESSION

With effect from the date of the Deed, the Additional Chargor:

- (a) will become a party to the Security Agreement as a Chargor; and
- (b) will be bound by all the terms of the Security Agreement which are expressed to be binding on a Chargor including, without limitation, the terms set out at:
 - (i) clause 4 (Restrictions on Dealings) of the Security Agreement which restricts, among other things, the creation of further security on any of its assets;
 - (ii) subclause 6.7 (Voting Rights) of the Security Agreement in relation to voting rights, powers and other rights in respect of its investments; and
 - (iii) clause 16 (Further Assurances) of the Security Agreement in relation to, amongst other things, creating, perfecting or protecting any security intended to be created by or pursuant to the Security Agreement.

2. SECURITY

- (a) Paragraphs (a) to (j) below apply without prejudice to the generality of clause 1 (Accession) above.
- (b) All the Security under the Deed:
 - (i) is created in favour of the Security Agent;
 - (ii) is security for the payment, discharge and performance of all the Secured Liabilities; and
 - (iii) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (c) If the rights of the Additional Chargor under a document cannot be secured without the consent of that party to that document:
 - (i) the Additional Chargor must notify the Security Agent promptly;
 - (ii) the Security under the Deed will secure all amounts which the Additional Chargor may receive, or has received, under that document but exclude the document itself; and
 - (iii) unless the Security Agent otherwise requires, the Additional Chargor must, and each other Charging Company must ensure that the Additional Chargor will, use all reasonable endeavours to obtain the consent of the relevant party

to that document being secured under the Deed and in any event must have obtained the relevant party's consent within 30 days of the date of the Deed.

- (d) The Security Agent holds the benefit of the Deed on trust for the Finance Parties.
- (e) The fact that no or incomplete details of any Security Asset are inserted in the schedule to the Deed does not affect the validity or enforceability of the Security under the Deed.
- (f) The Additional Chargor grants the charges and assignments set out in Clauses 2.2 to 2.9 of the Security Agreement (as set out in part 4 of this paper apart) and without prejudice to the generality of the foregoing:
 - (i) charges by way of a first legal mortgage all estates or interests in any freehold or leasehold property owned by it and specified in Part 1 (Real Property) of Schedule 1 (Security assets) to this paper apart to the Form 466;
 - (ii) charges by way of a first legal mortgage all shares owned by it and specified in Part 2 (Shares) of Schedule 1 (Security assets) to this paper apart to the Form 466;
 - (iii) charges by way of a first fixed charge all plant and machinery owned by it and specified in Part 3 (Specific Plant and Machinery) of Schedule 1 (Security assets) to this paper apart to the Form 466;
 - (iv) assigns absolutely, subject to a proviso for reassignment on redemption, all of its rights in respect of the agreements specified in Part 4 (Relevant Contracts) of Schedule 1 (Security assets) to this paper apart to the Form 466; and
 - (v) charges by way of a first fixed charge all of its rights in respect of the Intellectual Property Rights specified in Part 5 (Specific Intellectual Property Rights) of Schedule 1 (Security assets) to this paper apart to the 466.
- (g) The Additional 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 Clauses 2.2 to 2.9 of the Security Agreement (as set out in part 4 of this paper apart); and
 - (ii) all its Scottish Assets.
- (h) The floating charge created by Subclause 2.10 of the Security Agreement is a **qualifying floating charge** for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.
- (i) The Additional Chargor consents to a restriction in the following terms being entered into on the Register of Title relating to any Mortgaged Property registered at H.M. Land Registry:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the security agreement referred to in the charges register dated [] in favour of The Royal Bank of Scotland plc (as agent and trustee for the finance parties referred to in that security agreement) or its conveyancer."

- (j) The Additional Chargor applies to the Chief Land Registrar for a notice in the following terms to be entered on the Register of Title relating to any Mortgaged Property registered at H.M. Land Registry:

"The Lenders under a credit agreement dated 13 January 2010 between, amongst others, the Parent, The Royal Bank of Scotland plc as facility agent and security agent are under an obligation (subject to the terms of that senior facilities agreement) to make further advances and the security agreement referred to in the charges register dated [] in favour of The Royal Bank of Scotland plc (as agent and trustee for the secured creditors referred to in that security agreement) secures those further advances."

3. MISCELLANEOUS

With effect from the date of the Deed:

- (a) the Security Agreement will be read and construed for all purposes as if the Additional Chargor had been an original party in the capacity of a Chargor; and
- (b) any reference in the Security Agreement to the Deed and similar phrases will include the Deed and all references in the Security Agreement to a schedule (or any part of them) will include a reference to the schedule to the Deed (or relevant part of it).

**PART 2 – NAMES AND ADDRESSES OF THE PERSONS WHO HAVE EXECUTED THE
INSTRUMENT OF ALTERATION**

Accession agreement to subordination agreement dated 18 March 2010:

Affinity Hospitals Group Limited, Saltire Court, Castle Terrace, Edinburgh EH1 2EN

Subordination agreement dated 13 January 2010:

Priory New Investments No.2 Limited, Priory House, Randalls Way, Leatherhead, Surrey
KT22 7TP

Priory New Investments No.3 Limited, Priory House, Randalls Way, Leatherhead, Surrey
KT22 7TP

Priory New Investments Limited, Priory House, Randalls Way, Leatherhead, Surrey KT22
7TP

The Royal Bank of Scotland plc, 250 Bishopsgate, London EC2M 4RB

PART 3 – DEFINITIONS

In this Form 466:

Accession Letter means a document substantially in the form set out in schedule 7 (Form of Accession Letter) to the Credit Agreement.

Acquisition Facility means the term loan facility made available under the Credit Agreement as described in paragraph (a)(i) of clause 2.1 (The Facilities) of the Credit Agreement.

Acquisition Facility Borrower means the Company or any Additional Acquisition Facility Borrower.

Additional Acquisition Facility Borrower means a company which becomes a Borrower under the Acquisition Facility in accordance with clause 28 (Changes to the Obligors) of the Credit Agreement.

Additional Chargor means Affinity Hospitals Group Limited (Company Number SC224907), Saltire Court, Castle Terrace, Edinburgh EH1 2EN

Additional Guarantor means a company which becomes a Guarantor in accordance with clause 28 (Changes to the Obligors) of the Credit Agreement.

Additional Lender means any person who is not a Lender and who is to become a Lender under clause 4 (Additional Commitments) of the Credit Agreement.

Additional Obligor means an Additional Acquisition Facility Borrower or an Additional Guarantor.

Affiliate means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

Ancillary Document means each document relating to or evidencing the terms of an Ancillary Facility.

Ancillary Facility means any ancillary facility made available by an Ancillary Lender in accordance with clause 7 (Ancillary Facilities) of the Credit Agreement.

Ancillary Lender means each Lender which makes available an Ancillary Facility in accordance with clause 7 (Ancillary Facilities) of the Credit Agreement.

Arkle Group means Affinity Healthcare Holdings Limited (registered in England and Wales with registration number 05305312) and each of its Subsidiaries for the time being.

Arranger means The Royal Bank of Scotland plc as mandated lead arranger.

Borrower means the Company, a Revolving Facility Borrower or an Acquisition Facility Borrower unless it has ceased to be a Borrower in accordance with clause 28 (Changes to the Obligors) of the Credit Agreement.

Charging Company means:

- (a) the Additional Chargor;

- (b) Affinity Healthcare Limited (registered in England and Wales with registration number 05236108);
- (c) Affinity Healthcare Holdings Limited (registered in England and Wales with registration number 05305312);
- (d) Affinity Hospitals Holding Limited (registered in Scotland with registration number SC196089);
- (e) Affinity Hospitals Limited (registered in England and Wales with registration number 03966451);
- (f) Cheadle Royal Healthcare Limited (registered in England and Wales with registration number 03254624);
- (g) Cheadle Royal Residential Services Limited (registered in England and Wales with registration number 06623891); and
- (h) Middleton St George Healthcare Limited (registered in England and Wales with registration number 03864079).

Chargor means an Original Chargor and any member of the Group which becomes a Chargor by executing a Deed of Accession.

Company means Priory New Investments No.3 Limited (registered in England and Wales with registered number 07102547).

Compliance Certificate means a certificate substantially in the form set out in schedule 9 (Form of Compliance Certificate) to the Credit Agreement.

Counterparty Accession Agreement means a letter, substantially in the form of schedule 13 (Form of Hedge Counterparty Accession Agreement) to the Credit Agreement, with such amendments as the Facility Agent may approve or reasonably require.

Credit Agreement means the £35,500,000 senior facilities agreement dated 13 January 2010 between (among others) the Parent, the Company and the Security Agent.

Deed of Accession means a deed substantially in the form of schedule 5 (Form of Deed of Accession) to the Security Agreement which, for the avoidance of doubt, includes the Deed.

Equity Cure Loan means a loan advanced by Holdco to the Parent or by the Parent to Company for the purposes of enabling the Company to make an Equity Cure Deposit (as defined in clause 23.2(e) (Aggregate Loan to Value) of the Credit Agreement).

Equity Cure Repayment has the meaning given to it in clause 23.2(e) (Aggregate Loan to Value) of the Credit Agreement.

Event of Default means any event or circumstance specified as such in Clause 26 (Events of Default) of the Credit Agreement.

Facility Agent means The Royal Bank of Scotland plc as agent of the other Finance Parties.

Fee Letter means any letter or letters dated on or about the date of the Credit Agreement between the Arranger and the Company (or the Facility Agent and the Company) setting out any of the fees referred to in clause 14 (Fees) of the Credit Agreement.

Finance Document means the Credit Agreement, any Accession Letter, any Lender Accession Agreement, any Compliance Certificate, any Fee Letter, any Hedging Agreement, the Hedging Letter, the Mandate Letter, any subordination agreement, any Resignation Letter, any Counterparty Accession Agreement, any Selection Notice, any Transaction Security Document, any Utilisation Request, any Ancillary Document and any other document designated as a "Finance Document" by the Facility Agent and the Parent.

Finance Party means the Facility Agent, the Arranger, the Security Agent, any Ancillary Lender, a Lender or a Hedge Counterparty.

Group means the Parent and each of its Subsidiaries for the time being.

Guarantor means an Original Guarantor or an Additional Guarantor, unless it has ceased to be a Guarantor in accordance with clause 28 (Changes to the Obligors) of the Credit Agreement.

Hedge Counterparty means the Original Hedge Counterparty or any person which has become a party to the Credit Agreement as a Hedge Counterparty in accordance with clause 27.11 (Additional Hedge Counterparties) of the Credit Agreement.

Hedging Agreement means any master agreement, confirmation, schedule or other agreement entered into or to be entered into by any Obligor and a Hedge Counterparty for the purpose of hedging interest rate liabilities in relation to the Acquisition Facility in accordance with the Hedging Letter delivered to the Facility Agent under clause 5.1 (Initial conditions precedent) of the Credit Agreement.

Hedging Letter means a letter between the Facility Agent and the Company in the agreed form dated on or before the date of the Credit Agreement (and executed by the Company) describing the hedging arrangements to be entered into in respect of the interest rate liabilities of the Borrowers under the Credit Agreement.

Holdco means Priory New Investments Limited

Holding Company means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

Intellectual Property Rights means:

- (a) any know-how, patent, trade mark, service mark, design, business name, topographical or similar right;
- (b) any copyright or other intellectual property monopoly right;
- (c) design rights, moral rights, inventions, confidential information, know how and other intellectual property rights and interests;
- (d) any interest (including by way of licence) in any of the above; or
- (e) the benefit of all applications and rights to use any of the above,

in each case, whether registered or not.

Intra-Group Creditor means an Original Intra-Group Creditor or any member in the Group which becomes a Subordinated Creditor by delivery of an Accession Agreement in accordance with Clause 16.4 (New Subordinated Creditors) of the Subordination Agreement.

Intra-Group Debt means all Liabilities of any Subordination Obligor to an Intra- Group Creditor.

Lender means:

- (a) any Original Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a party to the Credit Agreement in accordance with clause 27 (Changes to the Lenders) of the Credit Agreement,

which in each case has not ceased to be a party to the Credit Agreement in accordance with the terms of the Credit Agreement.

Lender Accession Agreement means an agreement, substantially in the form of schedule 12 (Form of Lender Accession Agreement) to the Credit Agreement in respect of any accession of an Additional Lender under clause 27.10 (Additional Lenders) of 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 Parent.

Liability means any present or future liability (actual or contingent), together with:

- (a) any permitted 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 which may be made under any agreement expressed to be supplemental to any document in respect of that liability, 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;
- (e) any claim flowing from any recovery by a payment or discharge in respect of that liability on grounds of preference 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.

Mandate Letter means the best efforts letter dated on or about the date of the Credit Agreement between, among others, The Royal Bank of Scotland plc (as mandated lead arranger), the Company and the Parent.

Mortgaged Property means all estates or interests in all freehold or leasehold property included in the definition of Security Assets.

Obligor means a Borrower or a Guarantor.

Original Chargor means the Company and the Parent.

Original Guarantor means the Company and the Parent.

Original Hedge Counterparty means The Royal Bank of Scotland plc as counterparty to the hedging arrangements.

Original Intra-Group Creditor means the persons named in Schedule 2 to the Subordination Agreement as intra-group creditors

Original Lender means The Royal Bank of Scotland plc.

Original Subordination Obligor means the persons named in Schedule 1 to the Subordination Agreement as obligors

Parent means Priory New Investments No.2 Limited (registered in England and Wales with registered number 07102440).

Resignation Letter means a letter substantially in the form set out in schedule 8 (Form of Resignation Letter) to the Credit Agreement.

Revolving Facility Borrower means the Company or, in respect of an Ancillary Facility only, any Affiliate of the Company that becomes a borrower of that Ancillary Facility with the approval of the relevant Lender pursuant to clause 7.9 (Affiliates of Borrowers) of the Credit Agreement.

Scottish Assets means such of the undertaking, property and assets, present and future of a Chargor:

- (a) which is from time to time located in Scotland;
- (b) which is/are contractual and other rights (including without limitation incorporeal moveable property) which is/are governed by the laws of Scotland; and/or
- (c) where the creation and/or enforcement of any Security over such undertaking, property and assets is governed by the laws of Scotland.

Security means a mortgage, standard security, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

Security Agreement means the security agreement dated 13 January 2010 entered into between the Parent, the other Chargors under and as defined in the Security Agreement and the Security Agent.

Security Assets means all assets of the Additional Chargor the subject of any security created by the Deed.

Security Document means a security agreement substantially in the agreed form with such amendments as the Facility Agent may approve or reasonably require which, for the avoidance of doubt, includes the Security Agreement.

Selection Notice means a notice substantially in the form set out in part 2 of schedule 3 (Requests) to the Credit Agreement (in accordance with clause 12 (Interest Periods) of the Credit Agreement in relation to a term loan facility.

Senior Debt means all Liabilities payable or owing by any Subordination Obligor to a Finance Party under or in connection with the Finance Documents.

Subordinated Creditor means Holdco, an Original Intra-Group Creditor or any person which becomes a Subordinated Creditor by delivery of an Accession Agreement in accordance with Clause 16.4 (New Subordinated Creditors) of the Subordination Agreement.

Subordinated Debt means all Liabilities of any Subordination Obligor to any Subordinated Creditor:

- (a) including any dividends or other distributions and any amount payable to an Subordinated Creditor on a liquidation or other Insolvency of any Subordination Obligor; or
- (b) in respect of any advisory, monitoring, management or other fees or expenses.

Subordination Agreement means the subordination agreement dated 13 January 2010 among Priory New Investments No.2 Limited, Priory New Investments No.3 Limited, Priory New Investments Limited and The Royal Bank of Scotland plc

Subordination Obligor means:

- (a) an Original Subordination Obligor; and
- (b) any other member of the Group that becomes an Subordination Obligor by the delivery of an Accession Agreement in accordance with Clause 16.3 (New Obligors) of the Subordination Agreement.

Subsidiary means a subsidiary within the meaning of section 1159 of the Companies Act 2006.

Supplemental Security Document means a supplemental security agreement entered into by an Obligor substantially in the agreed form, with such amendments as the Facility Agent may approve or reasonably require.

Transaction Security Document means:

- (a) a Security Document which, for the avoidance of doubt, includes the Security Agreement;
- (b) any document evidencing or creating security over any asset and delivered to the Facility Agent in connection with the accession of the members of the Arkle Group pursuant to paragraph 2 of part 3 of schedule 2 (Conditions Precedent) to the Credit Agreement which, for the avoidance of doubt, includes the Deed;
- (c) a Supplemental Security Document;
- (d) any document evidencing or creating security over any asset and delivered to the Facility Agent in connection with the accession of an Additional Obligor pursuant to part 5 of schedule 2 (Conditions Precedent) to the Credit Agreement; and
- (e) any other document evidencing or creating security over any asset and designated as such by the Facility Agent and the Parent.

Utilisation Request means a notice substantially in the relevant form set out in part 1 of schedule 3 (Requests) to the Credit Agreement.

In the Deed and in the Form 466, reference to:

- (a) a **Finance Document** includes all amendments and supplements including supplements providing for further advances; and
- (b) the **Security under the Deed** means any security created by the Deed.

PART 4 – CLAUSES 2.2 TO 2.9 OF THE SECURITY AGREEMENT

2.2 Land

(a) Each Chargor charges:

- (i) by way of a first legal mortgage all estates or interests in any freehold or leasehold property now owned by it; this includes the real property (if any) specified in Part 1 of Schedule 2 (Security Assets) to the Security Agreement under its name under the heading **Real Property** or in a Deed of Accession to which it is a party; 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,

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

(b) A reference in this Subclause 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 a Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

2.3 Investments

(a) Each Chargor charges:

- (i) by way of a first legal mortgage 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 Part 2 of Schedule 2 (Security Assets) to the Security Agreement opposite its name or in a Deed of Accession to which it is a party; 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.

2.4 Plant and machinery

Each 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 in each case located in England and Wales.

2.5 Credit balances

Each Chargor charges by way of first fixed charge all of its rights in respect of any amount standing to the credit of any blocked account referred to in clause 10.6 (Payment into a blocked account) of the Credit Agreement and the debt represented by it.

2.6 Insurances

Each 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.

2.7 Intellectual property

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

- (i) any know-how, patent, trade mark, service mark, design, business name, topographical or similar right; this includes the patents and trademarks (if any) specified in Part 3 of Schedule 2 (Security Assets) to the Security Agreement under its name under the heading **Specific Intellectual Property Rights** or in a Deed of Accession to which it is a party;
- (ii) any copyright or other intellectual property monopoly right; or
- (iii) 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.

2.8 Other contracts

Each Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights in respect of any agreement to which it is a party except to the extent that it is subject to any fixed security created under any other term of this Clause; this includes the agreements (if any) specified in Part 4 of Schedule 2 (Security Assets) to the Security Agreement under its name under the heading **Relevant Contracts** or in a Deed of Accession to which it is a party.

2.9 Miscellaneous

Each Chargor charges by way of first fixed charge:

- (i) any beneficial interest, claim or entitlement it has in any pension fund;
- (ii) its goodwill;
- (iii) the benefit of any authorisation (statutory or otherwise) held in connection with its use of any Security Asset;
- (iv) the right to recover and receive compensation which may be payable to it in respect of any authorization referred to in paragraph (iii) above; and
- (v) its uncalled capital.

SCHEDULE 1
SECURITY ASSETS

PART 1
REAL PROPERTY

Freehold/Leasehold	Description	Title number(s)	Charging Company
Freehold	Land and buildings at Middleton St George Hospital, Middleton St George, Darlington	DU116478 DU98630 DU103025 DU123090 DU139094	Middleton St George Healthcare Limited
Freehold	Land at Sion House, 52 Sion Close, Ribbleson, Preston	LA510309	Cheadle Royal Healthcare Limited
Freehold	Land and buildings at Cheadle Royal Hospital, Wilmslow Road, Cheadle	GM746141	Cheadle Royal Healthcare Limited
Freehold	Land and buildings at Cheadle Royal Hospital, Wilmslow Road, Cheadle	MAN48525	Cheadle Royal Healthcare Limited
Freehold	Land and buildings at 24 Station Road, Darlington	DU166851	Middleton St George Healthcare Limited

PART 2
SHARES

Charging Company	Name of company in which shares are held	Class of shares held	Number of shares held
Affinity Healthcare Holdings Limited	Affinity Healthcare Limited	Ordinary	3,030,919

Affinity Hospitals Limited	Cheadle Royal Healthcare Limited	Ordinary	97
Affinity Hospitals Limited	Middleton St George Healthcare Limited	Ordinary	1
Cheadle Royal Healthcare Limited	Cheadle Royal Residential Services Limited	Ordinary	100
Affinity Hospitals Group Limited	Affinity Hospitals Limited	Ordinary A	12,000
		Ordinary B	6,150

PART 3**SPECIFIC PLANT AND MACHINERY****Description**

None.

PART 4**RELEVANT CONTRACTS****Description**

None.

PART 5**SPECIFIC INTELLECTUAL PROPERTY RIGHTS****Description**

None.



FILE COPY

**CERTIFICATE OF THE REGISTRATION
OF AN ALTERATION TO A FLOATING CHARGE**

COMPANY NO. 224907

CHARGE NO. 7

I HEREBY CERTIFY THAT PARTICULARS OF AN INSTRUMENT
OF ALTERATION DATED 18 MARCH 2010

WERE DELIVERED PURSUANT TO SECTION 878 OF THE
COMPANIES ACT 2006
ON 1 APRIL 2010

THE INSTRUMENT RELATES TO A CHARGE CREATED ON 18
MARCH 2010

BY AFFINITY HOSPITALS GROUP LIMITED

IN FAVOUR OF
ROYAL BANK OF SCOTLAND PLC

FOR SECURING ALL SUMS DUE OR TO BECOME DUE

GIVEN AT COMPANIES HOUSE, EDINBURGH 9 APRIL 2010



Companies House
— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES