

# M

# 403a

Please do not  
write in  
this margin

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

\* Insert full name  
of company

To the Registrar of Companies  
(Address overleaf)

For official use      Company number

3136041

Name of company

Blenheim Healthcare Limited (the "**Chargor**")

1, Paul Greensmith

of Priory House, Randalls Way, Leatherhead, Surrey KT22 7TP

† Delete as appropriate

† Insert a description of the instrument(s) creating or evidencing the charge, eg 'Mortgage', 'Charge', 'Debenture' etc.

§ The date of registration may be confirmed from the certificate

Ø insert brief details of property

[a director] ~~the secretary~~ ~~the company~~ ~~the company~~ ~~the company~~ ~~the company~~† of the above company, do solemnly and sincerely declare that the debt for which the charge described below was given has been paid or satisfied in (full) ~~part~~†

Date and Description of charge ‡	A Security Agreement dated 15 September 2005
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Date of Registration § 23 September 2005

Name and address of [chargee] ~~[holder of the security holder]~~  
ABN AMRO Bank N.V., London Branch, 250 Bishopsgate, London, EC2M 4AA

Short particulars of property charged ☒ See attached continuation sheets

And I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at Priory House, Leatherhead Declarant to sign below

Day      Month      Year

on 11/11/2007

before me

A Commissioner for Oaths or Notary Public or Justice of the Peace or Solicitor having the powers conferred on a Commissioner for Oaths

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

Linklaters  
One Silk Street  
London  
EC2Y 8HO

For official use  
Mortgage section



## Notes

The address for companies registered in England and Wales or Wales is:-

The Registrar of Companies  
Companies House  
Crown Way  
Cardiff  
CF14 3UZ

**Blenheim Healthcare Limited (registered number: 03136041)**

Short Particulars:

F/H PROPERTY K/A PRIORY HOSPITAL ALTRINCHAM RAPPAX ROAD ALTRINCHAM CHESHIRE T/NO GM32147, PRIORY HOSPITAL BRISTOL HEATHHOUSE LANE OFF BELL HILL BRISTOL T/NO AV204454, F/H PROPERTY K/A PRIORY GRANGE HEATH HOUSE LANE PURDOWN BRISTOL T/NO AV247767. FOR DETAILS OF FURTHER PROPERTIES CHARGED PLEASE SEE ATTACHED CONTINUATION SHEETS 1 – 12. ALL BUILDINGS FIXTURES FITTINGS AND FIXED PLANT AND MACHINERY AND FLOATING CHARGES OVER ALL ASSETS NOT EFFECTIVELY MORTGAGED CHARGED OR ASSIGNED. SEE CONTINUATION SHEETS 1 – 12 FOR FULL DETAILS OF ALL THE PROPERTY MORTGAGED OR CHARGED.

**SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED**

**1. CREATION OF SECURITY**

**1.1 General**

- (a) All the security created under the Deed:
  - (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 this Security will secure all amounts which the Chargor may receive, or has received, under that document but exclude the document itself.
- (c) The Facility Agent holds the benefit of the Deed on trust for the Finance Parties.

**1.2 Land**

- (a) The Chargor charges:
  - (i) by way of a first legal mortgage all the real property (if any) specified in Schedule 1 (Real Property) opposite its name; 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 all the real property (if any) specified in Schedule 1 (Real Property) opposite its name.
- (b) A reference in this Subclause to a mortgage or charge of any real 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 Floating charge**

- (a) 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.
- (b) Except as provided below, the Facility Agent may by notice to 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.
- (c) 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.
- (d) 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.
- (e) 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**

The Chargor may not:

- (a) create or permit to subsist any Security Interest on any Security Asset; or
  - (b) sell, transfer, licence, lease or otherwise dispose of any Security Asset,
- except as expressly allowed under the Credit Agreement.

## **3. INTERPRETATION**

The terms used in this Companies Form <sup>403a</sup>~~395~~ have the meanings set out below:

**Accession Agreement** means a letter, substantially in the form of schedule 7 (Form of Accession Agreement) of the Credit Agreement with such amendments as the Facility Agent and the Company may agree.

**Acquisition** means the acquisition by the Company of the Target Shares and the Investor Loans in accordance with the Acquisition Documents.

**Acquisition Documents** means:

- (a) the Sale and Purchase Agreement;
- (b) the Investor Loan Assignment Agreements; and
- (c) any other document entered into in connection with those documents.

**Additional Borrower** means a member of the Group which becomes a 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.

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

**Blenheim Healthcare Limited (registered in England and Wales under number 3136041)**  
**Continuation Sheet 3**

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

**Arranger** means ABN AMRO BANK N.V., London Branch.

**Borrower** means the Company or an Additional Borrower.

**Bridgeco** means Priory Health No. 1 Limited.

**Closing** means the date on which the Acquisition is completed under the Acquisition Documents.

**Company** means Priory Health No. 2 Limited.

**Credit** means a Loan or a Letter of Credit.

**Credit Agreement** means the £665,000,000 credit agreement dated 5 July 2005 (as amended and restated from time to time) between (among others) the Company and the Facility Agent.

**Event of Default** means an event specified as such in clause 22 (Default) of the Credit Agreement.

**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) the Syndication and Mandate Letter;
- (d) a Subordination Agreement;
- (e) a Fee 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.

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

**Group** means Topco and its Subsidiaries.

**Guarantor** means the Company, 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 30.9 (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 Credit Agreement.

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

**Investor** means, in its or their capacity as direct or indirect shareholders of the Company, ABN AMRO Holdings (UK) Limited, ABN AMRO European Investments S.à.r.l, any of their respective Affiliates, or any fund managed by ABN AMRO Bank N.V. or any such Affiliates.

**Investor Loans** means the net amount of indebtedness from time to time owed from the Group (as defined in the Sale and Purchase Agreement) to the Investors (as defined in the Sale and Purchase Agreement) including all amounts of principal and accrued and unpaid interest outstanding as at Closing in respect of the Loan Stock 2012.

**Investor Loans Assignment Agreements** means the deeds of the assignment and novation in respect of the assignment and novation of the Investor Loans by the Investors in favour of the Company in the agreed form.

**Issuing Bank** means ABN AMRO BANK N.V., Amsterdam Branch.

**Lender** means:

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

**Letter of Credit** means a letter of credit, substantially in the form of schedule 10 (Form of Letter of Credit) of the Credit Agreement or in any other form agreed by the Issuing Bank and the Facility Agent.

**Loan** means, unless otherwise stated in the Credit Agreement, the principal amount of each borrowing under the Credit Agreement or the principal amount outstanding of that borrowing.

**Loan Stock 2012** means the 10 per cent. unsecured loan stock 2012 issued by Priory Healthcare Finance Co. Ltd. on 10th June 2002.

**Obligor** means a Borrower or a Guarantor.

**Original Guarantors** means Priory Health No. 1 Limited and Priory Health No. 2 Limited.

**Original Lender** means ABN AMRO BANK N.V., Amsterdam Branch.

**Party** means a party to any Finance Document.

**Propco** means the English law incorporated company that is (or will be) a Subsidiary of Topco and which will purchase the property portfolio of the Target Group as envisaged in the Tax Structure Memorandum.

**Propco Refinancing** means the entering into of documentation in respect of and funding under, a facility agreement whereby Propco will use the proceeds of the loan(s) drawn under that facility agreement to purchase the property portfolio of the Target Group, and the Obligors will use the proceeds of such purchase to refinance in full the Facilities as set out in the Tax Structure Memorandum.

**Request** means a request for a Credit, substantially in the form of schedule 3 (Form of Request) of the Credit Agreement.

**Resignation Request** means a letter in the form of schedule 8 (Form of Resignation Request) of the Credit Agreement, with such amendments as the Facility Agent and the Company may agree.

**Sale and Purchase Agreement** means the sale and purchase agreement dated on or about the Credit Agreement between, among others, the Company (as purchaser), and Priory Healthcare Investments Trustee Limited, WJB Chiltern Trust Company (Jersey) Limited and the Managers and Investors (each as defined therein) as sellers.

**Security** means the security created by the Deed.

**Security Agreement** means:

- (a) the security agreement dated 5 July 2005 between the Company and Bridgeco as chargors and the Facility Agent;
- (b) the security agreement dated 10 August 2005 between Priory Holdings Limited as chargor and the Facility Agent;
- (c) the security agreement dated 16 August 2005 between Decklamp Limited and Fanplate Limited as chargors and the Facility Agent;
- (d) the Deed;
- (e) the security agreement dated or to be dated on or about 15 September 2005 between Autism (GB) Limited, Chelfham Senior School Limited, Eastwood Grange Company Limited, Solutions (Llangarron) Limited and Solutions (Ross) Limited as chargors and the Facility Agent;
- (f) the standard security agreement dated or to be dated on or about 15 September 2005 in respect of 38 Mansionhouse Road, Glasgow between Priory Healthcare Limited as chargor and the Facility Agent; or
- (g) the standard security agreement dated or to be dated on or about 15 September 2005 in respect of 40 Mansionhouse Road, Glasgow between Priory Healthcare Limited as chargor and the Facility Agent.

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

**Security Document** means:

- (a) each Security Agreement; and
- (b) 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, 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 Deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.

**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 15 September, 2005 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.

**Syndication and Mandate Letter** means the syndication and mandate letter entered into on or about the date of the Credit Agreement between, among others, the Company and the Arranger and in connection with the Credit Agreement and the Propco Refinancing.

**Target** means Priory Healthcare Investments Limited.

**Target Group** means the Target and its Subsidiaries.

**Target Shares** means the issued share capital of the Target.

**Tax Structure Memorandum** means the Project Saturn tax structure paper in relation to the Acquisition and the proposed restructuring of the Target Group dated on or about the date of the Credit Agreement and produced by PricewaterhouseCoopers .

**Term Loan** means a Loan under a Term Loan Facility and identified as such in its Request and when designated A, B, C or **Capex**, a Loan under the Term Loan Facility so designated.

**Term Loan Commitment** means, subject to subclause 5.4 (Post-Closing refinancings) of the Credit Agreement:

- (a) for an Original Lender, the amount set opposite its name in schedule 1 (Original Parties) of the Credit Agreement under the heading **Term Loan Commitments** and designated A, B, C or **Capex** and the amount of any other Term Loan Commitment, as so designated, it acquires; and
- (b) for any other Lender, the amount of any other Term Loan Commitment, as so designated, it acquires,

to the extent not cancelled, transferred or reduced under the Credit Agreement.

**Term Loan Facility** means a term loan facility made available under the Credit Agreement.

**Topco** means Priory Holdings Limited.

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**Continuation Sheet 7**

**Transfer Certificate** means a certificate, substantially in the form of schedule 5 (Form of Transfer Certificate) 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 Company.

**SCHEDULE 1**  
**REAL PROPERTY**

<b>PROPERTY (full address)</b>	<b>TENURE</b>	<b>TITLE NUMBER</b>	<b>REGISTERED PROPRIETOR/OWNER</b>
Priory Hospital, Altrincham, Rappax Road, Altrincham, Cheshire WA15 ONX	Freehold	GM32147	Priory Healthcare Limited
Priory Hospital Bristol, Heath House Lane, off Bell Hill, Bristol BS16 1EQ	Freehold	AV204454	Priory Healthcare Limited
Priory Grange, Heath House Lane, Purdown, Bristol BS16 1EQ	Freehold	AV247767	Highbank Private Hospital Limited
Priory Hospital Chelmsford, Stumps Lane, Springfield Green, Springfield, Chelmsford, Essex CM1 7SJ	Freehold	EX448034	Priory Healthcare Limited
Farm Place, Stane Street, Ockley, near Dorking, Surrey RH5 4NG	Freehold	SY219625	Priory Healthcare Limited
25 Brighton Road, Salfords, near Redhill, Surrey RH1 6PP	Freehold	SY387946	Priory Healthcare Limited
Priory Hospital, Hayes Grove, Prestons Road, Hayes, Bromley, Kent BR2 7AS	Freehold	SGL586784	Priory Healthcare Limited
The Priory Clinic Hove, 14-18 New Church Road, Hove, East Sussex BN3 4FH	Freehold	SX141057 and ESX60984	Priory Healthcare Limited
Angus Nursing Homes, 22-24 Sackville Gardens, Hove	Freehold	SX 144006 and SX112533	Priory Healthcare Limited
Priory Hospital, Rosemary Lane, Bartle, Preston PR4 0HB	Freehold	LA789130	Priory Healthcare Limited
Priory Hospital, Hythe Road, Marchwood,	Freehold	HP274005 and HP274006	Priory Healthcare Limited

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<b>PROPERTY (full address)</b>	<b>TENURE</b>	<b>TITLE NUMBER</b>	<b>REGISTERED PROPRIETOR/OWNER</b>
Southampton SO40 4WU			
Priory Hospital, Grovelands House, The Bourne, Southgate, London N14 6RA	Freehold	EGL224063 and EGL159651	Priory Healthcare Limited
Priory Clinic, Ransom Road, Nottingham NG3 5GS	Freehold	NT220908 and NT292439	Priory Healthcare Services Limited
Priory Hospital Roehampton Lane, London SW15 5JJ	Freehold	SGL172131	Priory Healthcare Limited
The Priory, Ticehurst House, Ticehurst, Wadhurst, East Sussex TN5 7HU	Freehold	ESX235200	Priory Healthcare Limited
Priory Hospital, Chobam Road, Knaphill, Woking, Surrey GU21 2QF	Freehold	SY648215 and SY638506	Priory Healthcare Limited
Woodbourne Priory, 21 Woodbourne Road, Edgbaston, Birmingham B17 8BY	99 year Leasehold expiring 29 September 2082	WM636441	Priory Healthcare Limited
Priory Hospital, Sturts Lane, Walton on the Hill, Surrey KT20 7RQ	Freehold	SY280588 and SY567305	Priory Healthcare Limited
Chadwick Lodge, Chadwick Drive, off Saxon Street, Eagleston, Milton Keynes MK6 5LS	Freehold	BM240154	Blenheim Healthcare Limited
The Priory Grange, Tottingworth Park, East Sussex TN2 8UN	Freehold	ESX89771	Priory Rehabilitation Services Limited
Hemel Grange (formerly known as Felden Croft Nursing Home) Longcroft Lane, Hemel Hempstead, Hertfordshire HP3 0BN and the adjoining paddock	Freehold	HD421701	Priory Rehabilitation Services Limited
18 Egerton Road, Bexhill-on-Sea, East	Freehold	ESX224669	Priory Rehabilitation Services Limited

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**Continuation Sheet 10**

<b>PROPERTY (full address)</b>	<b>TENURE</b>	<b>TITLE NUMBER</b>	<b>REGISTERED PROPRIETOR/OWNER</b>
Sussex TN39 3HH			
Highbank, The Elton Unit, Walshaw Road, Lancashire BL8 3AS	Freehold	LA155742 and GM485743	Priory Rehabilitation Services Limited
Highbank, Walmersley House, Walmersley Road, Bury, Lancashire BL9 5LX	Freehold	GM548330	Priory Rehabilitation Services Limited
Sketchley Hall, Manor Way, Sketchley Village, Burbage, Leicestershire LE10 3HT	Freehold	LT267038	Priory Rehabilitation Services Limited
Unstead Park Hospital, Munstead Heath, Godalming, Surrey GU7 1UW	Freehold	SY412405	Priory Rehabilitation Services Limited
The Vines, Innhams Wood, Crowborough, East Sussex TN6 1TE	Freehold	ESX73102	Priory Rehabilitation Services Limited
Eden Grove School, Bolton, Appleby, Cumbria CA16 6AJ	Freehold	CU113771	Priory Education Services Limited
Croft House, The Hayloft, The Barn and The Granary	Freehold	CU201844	Priory Education Services Limited
Newbury House, Charity Lane, Mells, Frome, Somerset	Freehold	ST124381	Farleigh Schools Limited
Land forming part of Newbury Farm, Newbury Farm, Mells, Frome	Freehold	WS17081	Farleigh Schools Limited
Land to the west of Newbury House, Charity Lane, Mells, Frome	Freehold	WS7057	Farleigh Schools Limited
8 and 8A Christchurch Stree, Frome	Freehold	Part of ST88577 being the land transferred by a transfer of part dated 02/09/05 between Assheton Associates and North Hill House Limited	North Hill House Limited

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**Continuation Sheet 11**

<b>PROPERTY (full address)</b>	<b>TENURE</b>	<b>TITLE NUMBER</b>	<b>REGISTERED PROPRIETOR/OWNER</b>
North Hill House, North Parade, Somerset BA11 2AB	Freehold	ST105727	Farleigh Schools Limited
Four Winds, 19 Bath Road, Frome, Somerset, BA11 2JH	Freehold	WS13777	Priory Education Services Limited
Plot 19, Ashleigh Grove, Trowbridge, Wiltshire	Freehold	WT232735	Farleigh Schools Limited
Plot 20, Ashleigh Grove, Trowbridge, Wiltshire	Freehold	WT232737	Farleigh Schools Limited
Stoneleigh House, Fromefield, Frome, Somerset BA11 2HB	Freehold	WS19526	Farleigh Schools Limited
Okus House, 105 Bath Road, Swindon SN1 4AX	Freehold	WT80077	Farleigh Schools Limited
Horizon School, Blithbury, Litchfield, Staffordshire	Freehold	SF436589	SF436589 – ZR Builders (Derby) Limited
Jacques Hall Foundation, Harwich Road, Manningtree, Essex CO11 2XW	Freehold	EX494805	Priory Education Services Limited
Orchard House, Clacton Road, Weeley Heath, Essex CO16 9EF	Freehold	EX534441	Priory Education Services Limited
The Rookery, Wells Road, Radstock BA3 3RS	Freehold	ST169208	Farleigh Schools Limited
Moor Side Farm, Moor Side Lane, Shuttleworth and land on the south west of Rochdale Road, Shuttleworth	Freehold	LA488257 and LA863547 and LA786993	Rossendale School Limited
10 and 11 Sally Barn Cottages, Holme Lane, Rawtenstall BB4 6JD	Freehold	LA808004	Rossendale School Limited
The Volunteer Inn, 34 Turnpike New Church	Freehold	LA583543	Rossendale School Limited
Sheridan House School, Southborough, Thetford, Norfolk	Freehold	NK250189	Priory Education Services Limited

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**Continuation Sheet 12**

<b>PROPERTY (full address)</b>	<b>TENURE</b>	<b>TITLE NUMBER</b>	<b>REGISTERED PROPRIETOR/OWNER</b>
IP25 7TJ			
Condover Hall, Condover, Shrewsbury, Shropshire	Freehold	SL165532	Priory Education Services Limited
Two Acre Cottage, Condover, Shrewsbury, Shropshire	Freehold	SL161995	Priory Education Services Limited
Tadley Court, Tadley, Hampshire RG26 3TB	Freehold	HP598307	Priory Education Services Limited
Mark College, Blackford Road, Mark, Highbridge, Somerset	Freehold	ST89455 and ST118526 and ST237393 and ST105342	Mark College Limited