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CHFP025

COMPANIES FORM No. 155(6)b

Declaration by the directors of a holding company in relation to assistance for the acquisition of shares

155(6)b

Please do not
write in this
margin

Pursuant to section 155(6) of the Companies Act 1985

Please complete
legibly, preferably
in black type, or
bold block letteringTo the Registrar of Companies
(Address overleaf - Note 5)

For official use

Company number

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03982134

Name of company

Note
Please read the notes
on page 3 before
completing this form

* Priory Securitisation Limited

* insert full name
of company☒ We \emptyset \emptyset insert name(s) and
address(es) of all
the directorsSee paragraph 1 of the Appendix† delete as
appropriate

~~(the sole director)~~ [all the directors]† of the above company (hereinafter called 'this company') do
solemnly and sincerely declare that:

§ delete whichever
is inappropriate

The business of this company is:

- (a) ~~that of a recognised bank, licensed institution within the meaning of the Banking Act 1979~~
(b) ~~that of a person authorised under section 3 or 4 of the Insurance Companies Act 1982 to carry on
insurance business in the United Kingdom~~
(c) something other than the above§

This company is ~~(the)~~ [a] holding company of* Priory Healthcare Limited (Company
No. 01505382) (the "Financial Assistance Subsidiary") which is
proposing to give financial assistance in connection with the acquisition of shares
in ~~(this company)~~ Priory Healthcare Investments Limited,
_____ the holding company of this company.]†

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

Linklaters
One Silk Street
London
EC2Y 8HQ

For official Use
General Section

Post room



LD6 *L4XOPASH* 290
COMPANIES HOUSE 09/11/2005

The assistance is for the purpose of ~~that acquisition~~ [reducing or discharging a liability incurred for the purpose of that acquisition].† (note 1)

Please do not write in this margin

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

The number and class of the shares acquired or to be acquired is: 981,167 Ordinary Shares,
8,827,833 A Ordinary Shares, 1,177,833 Preference Shares and 425,000 B Ordinary Shares

The assistance is to be given to: (note 2) Priory Health No. 2 Limited, a company
incorporated and registered in the Cayman Islands, whose registered address
is at PO Box 309GT, Ugland House, South Church Street, George Town, Grand
Cayman, Cayman Islands

The assistance will take the form of:

See paragraph 2 of the Appendix

The person who [has acquired] ~~will acquire~~ the shares is:
Priory Health No. 2 Limited

† delete as appropriate

The principal terms on which the assistance will be given are:

See paragraph 3 of the Appendix

The amount (if any) by which the net assets of the company which is giving the assistance will be reduced by giving it is Nil

The amount of cash to be transferred to the person assisted is £ Nil

The value of any asset to be transferred to the person assisted is £ Nil

Please do not
write in this
margin

The date on which the assistance is to be given is

See paragraph 4 of the Appendix

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

~~X~~We have formed the opinion, as regards this company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts. (note 3)

(a) ~~X~~We have formed the opinion that this company will be able to pay its debts as they fall due during the year immediately following that date]* (note 3)

* delete either (a) or
(b) as appropriate

(b) ~~X~~We have formed the opinion that this company will be able to pay its debts in full within 12 months of the commencement of the winding up.* (note 3)

And ~~X~~we 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 One Silk Street, London
EC2Y 8HQ

Declarants to sign below

Day Month Year
on 07 11 2005

before me

~~EMMA HENDERFIELD~~ *Emm*

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

NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given; if a recipient is a company the registered office address should be shown.
- 3 Contingent and prospective liabilities of the company are to be taken into account - see section 156(3) of the Companies Act 1985.
- 4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form.
- 5 The address for companies registered in England and Wales or Wales is:-

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

or, for companies registered in Scotland:-

The Registrar of Companies
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB

**Appendix
Form 155(6)(b)**

Priory Securitisation Limited
(Company Number 03982134)
(the "Company")

1 List of Directors

The names and addresses of all the directors of the Company are as follows:

Paul John Greensmith
19 Chatsworth Road
London
W4 3HY

Chaitanya Bhupendra Patel
Robin Hill
Warren Lane
Oxshott
Surrey
KT22 0ST

2 Form which assistance will take

2.1 In this Statutory Declaration the following expressions have, unless otherwise defined, the following meanings:

"Disposal and Lease Back Agreement" means a disposal and lease back agreement to be entered into between the Financial Assistance Subsidiary and Propco in respect of the Property;

"Lease" means the lease to be entered into between the Propco (as landlord) and the Financial Assistance Subsidiary (as tenant) in respect of the Property (or such other freehold, leasehold and/or feuhold estates held by Propco);

"Propco" means Priory Finance Property LLP (Partnership No. OC315650);

"Property" means St Dymphna and land lying to the east side of Ransom Road, Ransom Road, St Anns, NG3 5GS owned or leased by the Financial Assistance Subsidiary; and

"Purchase Price" means the purchase price specified in a Disposal and Lease Back Agreement in respect of a Property.

2.2 The financial assistance will take the form of:

2.2.1 the execution, delivery and performance by the Financial Assistance Subsidiary of its obligations under the following documents (as the same may be amended, varied, supplemented or substituted from time to time) (together, the "**Assistance Documents**");

- (i) a Disposal and Lease Back Agreement pursuant to which the Financial Assistance Subsidiary will dispose to Propco, by way of sale, the Property and agree to take a Lease of the Property;
- (ii) a Lease pursuant to which Propco will grant a lease of the Property (or such other freehold, leasehold and/or feuhold estates held by Propco) to the Financial Assistance Subsidiary;

2.2.2 by the performance of any other acts or the execution of any other documents ancillary or otherwise relating to the Assistance Documents.

3 Principal terms of the assistance given

All capitalised terms in this paragraph 3 shall, unless contrary indication appears, have the same meanings given to them in paragraph 2.1.

3.1 By executing the **Disposal and Lease Back Agreement**, the Financial Assistance Subsidiary will, among other things:

- 3.1.1** sell the Property to Propco for the relevant Purchase Price;
- 3.1.2** immediately following completion of the transfer of the Property to Propco, accept a Lease of the Property;
- 3.1.3** make certain representations to Propco; and
- 3.1.4** undertake to comply with certain general undertakings.

3.2 By executing the **Lease**, the Financial Assistance Subsidiary will, among other things:

- 3.2.1** pay the rent specified in the Lease during the term of the Lease to Propco, in each case without any abatement, deduction, counterclaim, withholding or set-off whatsoever, whether legal or equitable, (except for tax authorized by statute to be deducted in accordance with the Lease);
- 3.2.2** agree that it is the purpose and intent of Propco and the Financial Assistance Subsidiary that the Rents (as defined in the Lease) shall be absolutely net to Propco, so that the Lease shall yield free and clear to Propco the Rents as specified in the Lease in each year during the Term (as defined in the Lease) and that Propco shall not be required to make any payments out of its receipt of the Rents in relation to the Property (other than (a) value added tax chargeable in respect of the Principal Rent (as defined in the Lease), and (b) any tax (other than value added tax) payable by Propco on the Principal Rent (as defined in the Lease), or occasioned by any disposition of, or dealing with, the reversion to the Lease) and (c) payment of rent and other sums to any superior landlord, and to this intent the Financial Assistance Subsidiary covenants that all costs, operating expenses, impositions, premiums, fees, interest, charges, expenses, reimbursements, and obligations of every kind and nature whatsoever relating to the "Demised Premises" as defined in the Lease (other than as aforesaid) which

may arise or become due during or out of the Term shall be paid or discharged by the Financial Assistance Subsidiary as additional rent and that Propco shall be indemnified and saved harmless by the Financial Assistance Subsidiary on an after tax basis from and against such costs, operating expenses, impositions, premiums, fees, interest, charges, expenses, reimbursements, and obligations of every kind and nature;

- 3.2.3 pay, or indemnify Propco against, all existing and future rates, taxes, duties, charges, assessments, impositions, service charges supplied to or consumed in the Property (including the hire of meters) and outgoings whatsoever which at any time may be charged, levied, rated, assessed or imposed upon or be payable in respect of the Property or upon the owner or occupier thereof;
- 3.2.4 at its sole expense and at all times:
 - (i) keep and maintain the building on the Property and the infrastructure outside such building, together with all landscaped areas, service road car parking areas and access ways forming part of the Property in good and substantial repair; and
 - (ii) replace any of Propco's fixtures and fittings and Propco's mechanical and electrical services and plant which may be or become beyond repair with new, reconditioned or replacement items which are similar in type and quality and in good working order;
- 3.2.5 not assign, underlet, charge, share or part with possession or occupation of the whole or any parts of the Property nor agree to do so nor to hold its interest in the Property or any part thereof as nominee or upon trust for any third party nor agree to do so except as permitted by the terms of the Lease;
- 3.2.6 at its expense, keep and maintain the insurance specified in the Lease;
- 3.2.7 indemnify and keep indemnified Propco and any superior landlord against certain costs, claims, expenses and liabilities;
- 3.2.8 make certain representations to Propco; and
- 3.2.9 undertake to comply with certain general undertakings.

4 Date on which the assistance is to be given

The financial assistance is to be given on any date prior to 8 weeks from the date of this Statutory Declaration.

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH
Telephone +44 (0) 20 7583 5000
Facsimile +44 (0) 20 7822 4652

The Directors
Priory Securitisation Limited
Priory House
Randalls Way
Leatherhead
Surrey, KT22 7TP

6th November 2005

Dear Sirs

Auditors' report to the directors of Priory Securitisation Limited pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors of Priory Securitisation Limited (the "Company") dated 0⁷ November 2005 in connection with the proposal that the Company's subsidiary undertaking, Priory Healthcare Limited, should give financial assistance for the purchase of the following shares of the Company's holding company, Priory Healthcare Investments Limited:

981,167	Ordinary shares;
8,827,833	A Ordinary shares;
1,177,833	Preference shares; and
425,000	B Ordinary shares

This report, including the opinion, has been prepared for and only for the Company and the Company's directors in accordance with Section 156 of the Companies Act 1985 and for no other purpose. We do not, in giving the opinion set out below, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

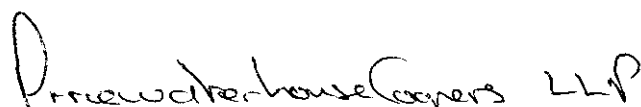
Basis of opinion

We have enquired into the state of the Company's affairs in order to review the bases for the statutory declaration.

Opinion

We are not aware of anything to indicate that the opinion expressed by the directors in their declaration as to any of the matters mentioned in Section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Yours faithfully



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors