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\*insert full name  
of Company

## COMPANIES FORM No. 395

### Particulars of a mortgage or charge

A fee of £10 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



03982134

Name of company

\* PRIORY SECURITISATION LIMITED (the "Chargor")

Date of creation of the charge

20 December 2002

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

A deed of Accession dated 20 December 2002 (the "Deed of Accession") between the Chargor and The Royal Bank of Scotland plc as trustee (the "Trustee") whereby the Chargor acceded to a debenture (the "Debenture") dated 10 June 2002 made by Priory Healthcare Acquisition Co Limited in favour of the Trustee.

Amount secured by the mortgage or charge

See Schedule 2.  
Definitions are contained in Schedule 1.

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

The Royal Bank of Scotland plc, 135 Bishopsgate, London EC2M 3UR, as Trustee, and any person for the time being appointed as trustee or as an additional trustee.

Postcode

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

(Via CH London Counter)  
Clifford chance LLP  
200 Aldersgate Street  
London EC1A 4JJ

London-2/1334407/01

Time critical reference  
KDH/R0021/05039

For official Use  
Mortgage Section



See Schedule 3.

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legibly, preferably  
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Particulars as to commission allowance or discount (note 3)

NONE.

Signed

*Clifford Chance LLP*

Date 30 December 2002

On behalf of ~~[company] [mortgagee/chargee]~~ † the Trustee

A fee of £10 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 Cheques and Postal Orders are to be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is:-

Companies House, Crown Way, Cardiff CF14 3UZ

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## Particulars of a mortgage or charge (continued)

Please do not  
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Continuation sheet No. 1  
to Form No 395 and 410 (\$

Please complete  
legibly, preferably  
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Company Number

03982134

Name of Company

PRIORY SECURITISATION LIMITED (the "Chargor")

Limited

\* delete if  
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

Amount due or owing on the mortgage or charge (continued)

Please do not  
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Please complete  
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Please do not  
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binding margin

Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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



*Schedules to Form 395 relating to the Accession Deed  
entered into by Priory Securitisation Limited  
(Company No 03982134) dated 20 December 2002*

**SCHEDULE 1**

**DEFINITIONS**

In this form 395:

**"Account"** means any credit balance from time to time on any account opened or maintained by the Chargor with the Trustee or any other financial institution and all Related Rights.

**"Agent"** means The Royal Bank of Scotland plc and any person for the time being appointed as agent in accordance with the Senior Facilities Agreement.

**"Assigned Account"** means any Account opened or maintained by the Chargor with the Trustee or any other financial institution details of which are set out in Schedule 6 (*Accounts*) to this Form (and any renewal or redesignation thereof) and any other Account that may from time to time be identified in writing as an Assigned Account by the Trustee and the Chargor **provided that** each Mandatory Prepayment Account (as defined in the Senior Facilities Agreement) shall at all times be an Assigned Account.

**"Delegate"** means any delegate, agent, attorney or co-trustee appointed by the Trustee.

**"Dormant Subsidiary"** means Priory Healthcare Europe Limited; Jacques Hall Foundation Limited; Jacques Hall Limited; Public Health Solutions Limited; Priory Securitisation Limited; Priory Healthcare Finance Limited (Cayman Islands); Nottcor 6 Limited; Priory Behavioural Health Limited; Sturt House Clinic Limited; Employee Management Services Limited; Robinson Kay House (Bury) Limited; Priory Services for Young People (IOM) Limited; Priory Healthcare Central Services Limited; Community Addiction Services Limited; Medical Imaging (Essex) Limited and any member of the Group which has gross assets not exceeding £5,000 (or its equivalent) and has gross liabilities not exceeding £1,000 (or its equivalent) unless such member of the Group becomes an Additional Guarantor (as defined in the Senior Facilities Agreement) pursuant to clause 26.28 of the Senior Facilities Agreement.

**"Fee Letter"** means any letter or letters dated on or about the date of the Senior Facilities Agreement between The Royal Bank of Scotland plc as the arranger and Priory Healthcare Acquisition Co. Limited (or the Agent and Priory Healthcare Acquisition Co. Limited or the Trustee and Priory Healthcare Acquisition Co. Limited) setting out any of the fees referred to in clause 16 of the Senior Facilities Agreement and any other agreement setting out fees referred to in clause 9.5 of the Senior Facilities Agreement.

**"Finance Documents"** means the Senior Facilities Agreement, any Guarantee, any Fee Letter, any accession letter which is substantially in the form set out in Schedule 6 to the Senior Facilities Agreement, any Transaction Security Document, a subordination agreement dated 10 June 2002 made between Priory Healthcare Acquisition Co. Limited, the Trustee,

the DH Funds as investors and Priory Healthcare Finance Co. Limited, any document relating to or evidencing the terms of any ancillary facility made available upon request in clause 9 of the Senior Facilities Agreement, any Hedging Agreement, any document as the Agent may specify (acting reasonably) to be entered into in relation to the cash cover for any Guarantee and any other document designated as a "Finance Document" by the Agent and Priory Healthcare Acquisition Co. Limited.

**"Guarantee"** means (a) any guarantee substantially in the form set out in Schedule 10 to the Senior Facilities Agreement issued or to be issued under the revolving credit facility made available under paragraph (a) (ii) of clause 2.1 of the Senior Facilities Agreement or (b) any other guarantee or letter of credit, indemnity, or other instrument of suretyship or payment issued or to be issued by The Royal Bank of Scotland plc as the issuing bank under the revolving credit facility made available under paragraph (a) (ii) of clause 2.1 of the Senior Facilities Agreement and requested by Priory Healthcare Acquisition Co. Limited and agreed by the Agent (with the prior consent of the Majority Lenders (as defined in the Senior Facilities Agreement) and The Royal Bank of Scotland plc as the issuing bank.

**"Group"** means Priory Healthcare Acquisition Co. Limited and each of its subsidiaries as at 22 May 2002.

**"Hedging Agreement"** means any agreement in the form agreed between Priory Healthcare Acquisition Co. Limited and the Agent entered into or to be entered into by a member of the Group and a Hedge Counterparty (as defined in the Senior Facilities Agreement) for the purpose of hedging interest rate liabilities in relation to the Facilities (as defined in the Senior Facilities Agreement) in accordance with the Hedging Strategy Letter (as defined in the Senior Facilities Agreement).

**"Insurance Policy"** means any policy of insurance (including life insurance or assurance) in which the Chargor may from time to time have an interest.

**"Intellectual Property"** means any patents, trade marks, service marks, business names, copyrights, design rights, inventions, confidential information, knowhow and other intellectual property rights and interests, whether registered or unregistered, the benefit of all applications and rights to use such assets and all Related Rights.

**"Investments"** means:

- (a) any stocks, shares, debentures, securities and certificates of deposit (but not including the Shares),
- (b) all interests in collective investment schemes, and
- (c) all warrants, options and other rights to subscribe or acquire any of the investments described in (a) and (b) in each case,

whether held directly by or to the order of the Chargor or by any trustee, nominee, fiduciary or clearance system on its behalf and all Related Rights (including all rights against any such trustee, nominee, fiduciary or clearance system).



**"Monetary Claims"** means any book and other debts and monetary claims owing to the Chargor and any proceeds thereof (including any claims or sums of money deriving from or in relation to any Intellectual Property, any Investment, the proceeds of any Insurance Policy, any court order or judgment, any contract or agreement to which the Chargor is a party and any other assets, property, rights or undertaking of the Chargor).

**"Real Property"** means:

- (a) any freehold, leasehold or immovable property; and
- (b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of such freehold or leasehold property,

and includes all Related Rights.

**"Related Rights"** means, in relation to any asset,

- (a) the proceeds of sale of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, benefits, claims, contracts, warranties, remedies, security, indemnities or covenants for title in respect of that asset; and
- (d) any moneys and proceeds paid or payable in respect of that asset.

**"Secured Parties"** means the Trustee, any Delegate, the Agent, each Lender (as defined in the Senior Facilities Agreement), The Royal Bank of Scotland plc as issuing bank, each Ancillary Lender (as defined in the Senior Facilities Agreement) from time to time party to the Senior Facilities Agreement, each Hedging Counterparty (as defined in the Senior Facilities Agreement) and any other lender from time to time party to the Term Out Facility Documentation.

**"Senior Facilities Agreement"** means the senior facilities agreement dated as of 22 May 2002 made between Priory Healthcare Acquisition Co. Limited, Priory Healthcare Finance Co. Limited, Priory Healthcare Investments Limited, The Royal Bank of Scotland plc as arranger, agent, issuing bank and trustee and the Original Lenders as defined therein as amended, varied, novated or supplemented from time to time.

**"Shares"** means all of the shares specified in Schedule 4 (*Details of Shares*) to this Form and all other shares held legally and/or beneficially by the Chargor at any time except for (a) shares in any Dormant Subsidiary and (b) shares in any joint venture entity, whether in the form of a company, unincorporated firm, undertaking, association or partnership or other entity.

**"Specific Contracts"** means each of the contracts specified in Schedule 5 (*Details of Specific Contracts*) to this Form.

**"Tangible Moveable Property"** means any plant, machinery, office equipment, computers, vehicles and other chattels (excluding any for the time being forming part of the Chargor's stock in trade or work in progress) and all Related Rights.

**"Term Out Facility Documentation"** means the documentation pursuant to which the extension and amendment of the term loan facility (made available under paragraph (a)(i) of clause 2.1 of the Senior Facilities Agreement) is achieved under clause 12 of the Senior Facilities Agreement.

**"Transaction Security"** means security which any member of the Group is required to grant pursuant to or in connection with any Finance Document to secure the obligations of any of Priory Healthcare Acquisition Co. Limited, a Borrower (as defined in the Senior Facilities Agreement) or a Guarantor (as defined in the Senior Facilities Agreement) under any of the Finance Documents.

**"Transaction Security Documents"** means the Debenture, each accession deed thereto, the standard security granted or to be granted in relation to the property at 38-40 Mansionhouse Road, Glasgow G41 3DW in connection with the Senior Facilities Agreement, the trust agreement dated 10 June 2002 made between The Royal Bank of Scotland plc as trustee and agent, the obligors referred to therein and the financial institutions named therein as secured parties, and any deeds of accession thereto and any other document creating or expressed to create Transaction Security.

## **SCHEDULE 2**

### **AMOUNT SECURED BY THE MORTGAGE OR CHARGE**

All financial obligations at any time due, owing or incurred by the Chargor or any Borrower (as defined in the Senior Facilities Agreement) or any Guarantor (as defined in the Senior Facilities Agreement) to any Secured Party under the Finance Documents and the Term Out Facility Documentation, whether present or future, actual or contingent (and whether incurred solely or jointly and whether as principal or surety or in some other capacity) and including for the avoidance of doubt, any liability of the Chargor or any Borrower or any Guarantor to any Secured Party in respect of any further advances made under the Finance Documents.

### **SCHEDULE 3**

#### **SHORT PARTICULARS OF ALL THE PROPERTY CHARGED**

##### **ASSIGNMENTS, FIXED AND FLOATING CHARGES**

The Chargor:

- (a) charged with full title guarantee in favour of the Trustee by way of first fixed charge (which so far as it relates to land in England and Wales vested in the Chargor at the date of the Debenture shall be a charge by way of legal mortgage) all the Chargor's right, title and interest from time to time in and to:
  - (i) the Real Property;
  - (ii) the Tangible Moveable Property;
  - (iii) the Accounts;
  - (iv) the Intellectual Property;
  - (v) and goodwill and rights in relation to the uncalled capital of the Chargor;
  - (vi) the Investments;
  - (vii) the Shares, all dividends, interest and other monies payable in respect of the Shares and all other Related Rights (whether derived by way of redemption, bonus, preference, option, substitution or conversion or otherwise);
  - (viii) all Monetary Claims other than any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) pursuant to the Debenture and all Related Rights.
- (b) assigned with full title guarantee to the Trustee all the Chargor's right, title and interest from time to time in and to:
  - (i) the proceeds of any Insurance Policy and all Related Rights in respect of any Insurance Policy;
  - (ii) each of the Specific Contracts;
  - (iii) all rights and claims in relation to any Assigned Account; and
  - (iv) all agreements, contracts, deeds, licences, undertakings, guarantees, covenants, warranties, representations and other documents (including all documents entered into now or in the future in order to enable the Trustee to perfect its rights thereunder or under the Debenture) entered into by or given to the Chargor in respect of the Real Property including all:

- (1) claims, remedies, awards or judgments paid or payable to the Chargor (including, without limitation, all liquidated and ascertained damages payable to the Chargor in respect of the items referred to); and
- (2) guarantees, warranties, bonds and representations given or made by, and any rights or remedies against any designer, builder, contractor, professional adviser, sub-contractor, manufacturer, supplier or installer of any fixture, fitting, fixed plant or machinery,

in each case, relating to all or any part of the Real Property.

- (c) charged with full title guarantee in favour of the Trustee by way of first floating charge the whole of the Chargor's undertaking and assets, present and future, wheresoever situated (including, without limitation, assets situated in or governed by the laws of Scotland), other than any assets validly and effectively charged or assigned (whether at law or in equity) by way of fixed security under the laws of England and Wales, or of the jurisdiction in which that asset is situated or by which it is governed, in favour of the Trustee as security for the secured obligations.

#### **FURTHER ASSURANCE**

The Debenture contains covenants for further assurance.

#### **NEGATIVE PLEDGE**

The Debenture contains a negative pledge.

**SCHEDULE 4**  
**DETAILS OF SHARES**

None

**SCHEDULE 5**  
**DETAILS OF SPECIFIC CONTRACTS**

None

**SCHEDULE 6**

**ACCOUNTS**

None



FILE COPY



## CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 03982134

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEED OF ACCESSION DATED THE 20th DECEMBER 2002 AND CREATED BY PRIORITY SECURITISATION LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO THE ROYAL BANK OF SCOTLAND PLC AS TRUSTEE UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE 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 2nd JANUARY 2003.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 24th FEBRUARY 2003.

C<sup>0</sup>



*Companies House*

— for the record —



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES