

**COMPANIES FORM No. 395****Particulars of a mortgage or charge****395**

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



Pursuant to section 395 of the Companies Act 1985

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

For official use Company number

112

4279530

Name of company

\* Autism (GB) Limited (the **Chargor**).

Date of creation of the charge

15 September, 2005

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

Security agreement dated 15 September, 2005 between, amongst others, the **Chargor** and the Facility Agent (as defined below) (the **Deed**).

Amount secured by the mortgage or charge

All present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor to any Finance Party under each Finance Document to which an Obligor is a party, except for any obligations (including, without limiting the generality of the foregoing, all fees, interests and costs) in respect of Term Loan A, Term Loan Commitment A, Term Loan C and Term Loan Commitment C and any other obligation which, if it were so included, would result in the Deed contravening Section 151 of the Companies Act 1985 (the **Secured Liabilities**).

The term Finance Document includes all amendments and supplements including supplements providing for further advances.

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

ABN AMRO Bank N.V., London Branch, (250 Bishopsgate, London (the **Facility Agent**)).

Postcode EC2M 4AA

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

Allen & Overy LLP  
One New Change  
London  
EC4M 9QQ

FIP/PR BK:3190544

Time critical reference

For official Use (02/00)

Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

See attached continuation sheets.

Please do not  
write in  
this margin

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

Particulars as to commission allowance or discount (note 3)

Nil.

Signed

*Allen & Overy LLP*

Date 26 September, 2005

On behalf of ~~XXXXXXXXXXXXXXXXXXXX~~ [chargee] †

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

† delete as  
appropriate

Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage", or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;  
(a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or  
(b) procuring or agreeing to procure subscriptions, whether absolute or conditional,  
for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is: Companies House, Crown Way, Cardiff CF14 3UZ

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

**1. CREATION OF SECURITY**

**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 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.

**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 refinancing 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 (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 various Additional Guarantors 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.

**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>
Kilworthy House, Tavistock, West Devon PL19 0JN	Freehold	DN369633 and DN371089	Chelfham Senior School Limited
Ward House, Bere Alston, Yelverton, West Devon PL20 7EX	Freehold	DN346394	Chelfham Senior School Limited
Eastwood Grange School, Milken Lane, Ashover, Derbyshire	Freehold	DY212755	Eastwood Grange Company Limited
Horizon School, Blithbury, Litchfield, Staffordshire	Freehold	SF487737	Autism (GB) Limited
Moreton House (aka Mayfield House), Bishton Lane, Wolsley Bridge, ST18 0XD	Freehold	SF423828	Autism (GB) Limited
The Adventure Centre (The Old Rectory Site), Hope under Dinmore, Leominster, Herefordshire HR6 0PW	Freehold	HW173440	Solutions (Llangarron) Limited
Callow Hills Farm, Hereford Road, Ledbury, Herefordshire HR8 2PZ	Freehold	HW184688	Solutions (Llangarron) Limited
Talocher Farm, Wonastow Road, Monmouth, Monmouthshire NP25 4DN	Freehold	WA371447	Solutions (Llangarron) Limited
Grosvenor House, Gloucester Road, Ross-on-Wye, Herefordshire, HR9 5NA	Freehold	HE6500	Solutions (Llangarron) Limited
Goodrich, Nr Ross on Wye, Herefordshire, HR9	Freehold	HE10050	Solutions (Llangarron) Limited

**Autism (GB) Limited (registered in England and Wales under number 4279530)**  
**Continuation Sheet 9**

Fairview House, Foy, Ross on Wye Herefordshire HR9 6RB	Freehold	HE19135	Solutions Limited (Llangarron)
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FILE COPY



## CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 04279530

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SECURITY AGREEMENT DATED THE 15th SEPTEMBER 2005 AND CREATED BY AUTISM (GB) LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM EACH OBLIGOR TO ANY FINANCE PARTY ON ANY ACCOUNT WHATSOEVER UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 26th SEPTEMBER 2005.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 29th SEPTEMBER 2005 .



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES



*Companies House*

— for the record —

*[Handwritten signature]*