

## 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.

195559/13

CHFP025

Please do not write in this margin

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

\*insert full name of Company

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number

1713

02838284

Name of company

\* Priory Education Services Limited (the **Chargor**).

Date of creation of the charge

4 July 2006

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

A supplemental security agreement dated 4 July 2006 between the Chargor and the Facility Agent (as defined below) relating to the Original Security Agreement (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 (as defined below) to any Finance Party (as defined below) under each Finance Document (as defined below) to which an Obligor is a party, except for any obligation which, if it were so included, would result in the Deed contravening Section 151 of the Companies Act 1985 (the **Secured Liabilities**).

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

ABN AMRO Bank N.V., London Branch of 250 Bishopsgate, London as agent and trustee for the Finance Parties (as defined below) (the **Facility Agent**).

Postcode EC2M 4AA

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

Allen & Overy LLP  
One New Change  
London  
EC4M 9QQ

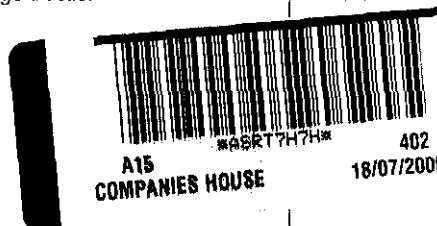
JEMP:/BK:4596127.1

Time critical reference

For official Use (02/00)

Mortgage Section

Post room



See 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

*17 July 2006*

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:
- (i) the Chargor must notify the Facility Agent promptly;
  - (ii) this Security will secure all amounts which the Chargor may receive, or has received, under that document but exclude the document itself; and
  - (iii) unless the Facility Agent otherwise requires, the Chargor must use reasonable endeavours to obtain the consent of the relevant party to that document being secured under the Deed.
- (c) The Facility Agent holds the benefit of the Deed on trust for the Finance Parties.

**1.2 Land**

- (a) The Chargor charges by way of a first legal mortgage the property specified in the Schedule to this Companies Form 395 under the heading Real Property. T  
95.
- (b) A reference in clause 2.2 of the Deed 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 the Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

**1.3 Confirmation**

The Chargor confirms that, as security for the payment of the Secured Liabilities:

- (a) it has charged in favour of the Facility Agent by way of first fixed charge the assets relating to the property specified in the Schedule to this Companies Form 395 and referred to in clauses 2.2 (Land) to 2.4 (Plant and machinery) (inclusive) and clauses 2.6 (Intellectual property) to 2.7 (Miscellaneous) (inclusive) of the Original Security Agreement;
- (b) it has charged in favour of the Facility Agent by way of first floating charge the assets referred to in clause 2.8 (Floating charge) of the Original Security Agreement; and

- (c) it has assigned to the Facility Agent by way of security the assets relating to the property specified in the Schedule to this Companies Form 395 and referred to in clause 2.5 (Insurances) of the Original Security Agreement.

## **2. RESTRICTIONS ON DEALINGS**

- (a) The Chargor may not:
- (i) create or permit to subsist any Security Interest on any Security Asset; or
  - (ii) sell, transfer, licence, lease or otherwise dispose of any Security Asset,
- except as expressly allowed under the Credit Agreement.
- (b) The Chargor may not, without the written consent of the Facility Agent, take or allow the taking of any action on its behalf which may result in the rights attaching to any of its Investments being altered or further shares in the relevant member of the Group being issued.

## **3. CONSTRUCTION**

- (a) Capitalised terms defined in the Original Security Agreement, have unless expressly defined in the Deed, the same meaning in the Deed.
- (b) The provisions of clause 1.2 (Construction) of the Credit Agreement apply to the Deed as though they were set out in full in the Deed, except that references to the Credit Agreement are to be construed as references to the Deed.
- (c) (i) A **Finance Document** or other document includes (without prejudice to any prohibition on amendments) all amendments however fundamental to that Finance Document or other document, including any amendment providing for any increase in the amount of a facility or any additional facility; and
- (ii) the term **this Security** means any security created by the Deed.
- (d) Any covenant of the Chargor under the Deed (other than a payment obligation) remains in force during the Security Period.
- (e) The terms of the other Finance Documents and of any side letters between any Parties in relation to any Finance Document are incorporated in the Deed to the extent required to ensure that any purported disposition of any freehold or leasehold property contained in the Deed is a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (f) If the Facility Agent considers that an amount paid to a Finance Party under a Finance Document is reasonably likely to be capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of the Deed.
- (g) Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of sale of that Security Asset.

In this Form 395:

**Priory Education Services Limited (registered in England and Wales under number 02838284)**  
**Continuation sheet 1**

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

**Additional Borrower** means an Additional Capex Borrower or an Additional Working Capital Borrower.

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

**Additional Obligor** means an Additional Borrower or an Additional Guarantor.

**Additional Working Capital Borrower** means a member of the Group which becomes a Working Capital Borrower after the date of the Credit Agreement.

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

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

**Capex Borrower** means an Original Capex Borrower or an Additional Capex Borrower.

**Company** means Priory Securitisation Limited (registered in England and Wales number 03982134).

**Credit Agreement** means the £120,000,000 capital expenditure and working capital facilities agreement dated 19 October 2005 between (among others) Priory Securitisation Limited and the Facility Agent as amended and restated by a supplemental agreement dated 8 November 2005 (as further amended from time to time).

**Existing Property** means a real estate asset of the Group listed in schedule 11 (Existing Property) to the Credit Agreement.

**Facility** means a credit facility made available under the Credit Agreement.

**Fanplate** means Fanplate Limited (registered in England and Wales number 05347672).

**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) a Subordination Agreement;
- (d) a Fee Letter;
- (e) the Hedging Letter;
- (f) a Transfer Certificate;

**Priory Education Services Limited (registered in England and Wales under number 02838284)**  
**Continuation sheet 1**

- (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 the Company and its Subsidiaries and Fanplate 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 32.9 (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 Finance Documents.

**Hedging Letter** means a letter dated on or about the date of the Credit Agreement between the Company and the Facility Agent relating to the interest rate hedging to be effected by the Group.

**Investments** means:

- (a) the Shares;
- (b) all other shares, stocks, debentures, bonds or other securities and investments included in the definition of Security Assets in clause 1.1 (Definitions) of the Original Security Agreement;
- (c) any dividend or interest paid or payable in relation to any of the above; and
- (d) any right, money or property accruing or offered at any time in relation to any of the above by way of redemption, substitution, exchange, bonus or preference under option rights or otherwise.

**Issuing Bank** means ABN AMRO Bank N.V., London Branch.

**Lender** means:

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

**Obligor** means an Original Obligor or an Additional Obligor.

**Original Borrower** means an Original Capex Borrower or an Original Working Capital Borrower.

**Original Capex Borrowers** means the entities listed in schedule 1 (Original Parties) to the Credit Agreement as original capex borrowers.

**Original Guarantors** means the entities listed in schedule 1 (Original Parties) to the Credit Agreement as original guarantors.

**Original Lender** means the financial institution listed in schedule 1 (Original Parties) to the Credit Agreement as original lender.

**Original Obligor** means the Company, an Original Borrower or an Original Guarantor.

**Original Security Agreement** means the security agreement dated 9 November 2005 (as supplemented from time to time) between, amongst others, the Chargor and the Facility Agent.

**Original Working Capital Borrowers** means the entities listed in schedule 1 (Original Parties) to the Credit Agreement as original working capital borrowers.

**Property** means:

- (a) each Existing Property; and
- (b) any other present or future freehold or leasehold property in which a member of the Group has or acquires or will acquire an interest.

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

**Security Agreement** means:

- (a) the security agreement entered into by each Obligor and the Facility Agent; and
- (b) any standard security granted by an Obligor in favour of the Facility Agent relating to a Property situated in Scotland,

each in the agreed form and dated on or about the first Utilisation Date.

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

**Security Document** means:

- (a) each Security Agreement; or
- (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, assignation, 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.

**Shares** means the Shares listed in schedule 4 (Shares) to the Original Security Agreement.

**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 the date of the Credit Agreement 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

**Priory Education Services Limited (registered in England and Wales under number 02838284)**  
**Continuation sheet 1**

the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise.

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

**Utilisation Date** means each day on which a Facility is used.

**Working Capital Borrower** means an Original Working Capital Borrower or an Additional Working Capital Borrower.

**SCHEDULE 1**

**REAL PROPERTY**

The property known as Coombe House, Coleford, Crediton, Devon as the same is registered at HM Land Registry under title number DN338803.

FILE COPY



## CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 02838284

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SUPPLEMENTAL SECURITY AGREEMENT DATED THE 4th JULY 2006 AND CREATED BY PRIORY EDUCATION SERVICES 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 18th JULY 2006.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 21st JULY 2006.

*Barbara*



*Companies House*

— for the record —



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES