

COMPANY NO. 2838284

PRIORY CHILDCARE SERVICES LIMITED

(the Company)

WRITTEN MEMBERS' RESOLUTION

In accordance with section 381A of the Companies Act 1985, **WE**, being all the members of the Company who at the date of this resolution would be entitled to attend and vote at a general meeting of the Company, **AGREE** that the following resolutions shall have effect as if passed by the Company in general meeting and accordingly **WE RESOLVE**:

Ordinary Resolution

THAT the accession to the Senior Facility Agreement and the Mezzanine Facility Agreement and the execution of the Debenture, the Priority Agreement, the Intra-Group Loan Agreement, the Accession Agreements (all as defined in the attached Schedule) and any other documents to be executed in connection with the transactions contemplated by such agreements are in the best interests of the Company and that they be approved.

Special Resolutions

1. **THAT** the Articles of Association of the Company be and are hereby amended by the inclusion of the following article:

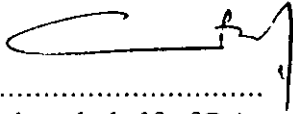
"Notwithstanding anything contained in the articles, the directors shall not decline to register any transfer of shares, nor may they suspend the registration thereof, where such transfer is executed by any bank or institution to whom such shares have been charged by way of security, or by any nominee or nominees of such a bank or institution, pursuant to the power of sale under such security and a certificate by any official of such bank or institution if the shares were so charged and the transfer was so executed shall be conclusive evidence of such facts."

2. **THAT** the Articles of Association of the Company be and are hereby amended by the inclusion of the following article:

"No payment or distribution may be declared, made or paid on any share in the capital of the Company to the extent prohibited by the Finance Documents at any time whilst the Finance Documents remain in full force and effect, except to the extent that the Finance Documents are terminated or the duties and/or obligations of the Company under the Finance Documents are waived or discharged by the Majority Banks (as defined in the Senior Facility Agreement)."



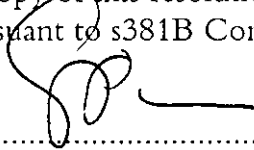
Dated this 31 day of January 2000.



.....
for and on behalf of Priory Hospitals Limited

Notice to members

A copy of this resolution has been sent to the Company's auditors, KPMG,
pursuant to s381B Companies Act 1985.



.....
Director/Secretary

SCHEDULE

Documents

1. Execution version of the Senior Facility Agreement dated 24 December and entered into by, inter alia, Westminster Specialist Health Limited (*WSH*), Barclays Capital and Greenwich NatWest Limited as Arrangers, Barclays Bank PLC (*Barclays*) as an Original Bank and National Westminster Bank Plc (*NatWest*) (in its separate capacities as an Original Bank, Facility Agent and Security Agent) and to be acceded to by the Company and certain other subsidiaries of the Company and WSH as Borrowers and/or Guarantors (the *Senior Facility Agreement*).
2. Execution version of the Mezzanine Facility Agreement dated 24 December and entered into by, inter alia, WSH, Barclays Capital as Arranger, Barclays as Original Mezzanine Lender and Facility Agent, and NatWest as Security Agent), and to be acceded to by the Company and certain other subsidiaries of the Company and WSH as Borrowers and/or Guarantors (the *Mezzanine Facility Agreement* and together with the Senior Facility Agreement, the *Facility Agreements*).
3. The Debenture to be entered into by, inter alia, the Company, certain other subsidiaries of the Company and NatWest (in its capacity as Security Agent) (the *Debenture*).
4. The Priority Agreement to be entered into by, inter alia, the Company, certain other subsidiaries of the Company, the Senior Creditors, the Hedging Banks, the Mezzanine Creditors, the Investors, and Barclays Bank PLC (the *Priority Agreement*).
5. The Guarantor Accession Agreements relating to the Senior Facility Agreement and the Mezzanine Facility Agreement to be entered into by the Company, each of its Subsidiaries and the existing parties to the Facility Agreements (the *Accession Agreements*).
6. The Intra-Group Loan Agreements to be entered into by Westminster SH (as Borrower) and, inter alia, the Company and its Subsidiaries (as Lenders) (the *Intra-Group Loan Agreement*).