



Registration of a Charge

Company name: **VUR VILLAGE HOTELS LIMITED**

Company number: **02695921**



X75X17KQ

Received for Electronic Filing: **14/05/2018**

Details of Charge

Date of creation: **09/05/2018**

Charge code: **0269 5921 0006**

Persons entitled: **WELLS FARGO BANK, N.A., LONDON BRANCH AS TRUSTEE FOR EACH OF THE SECURED PARTIES**

Brief description:

Contains fixed charge(s).

Contains floating charge(s) .

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S. 859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION**

**FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

CLIFFORD CHANCE LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 2695921

Charge code: 0269 5921 0006

The Registrar of Companies for England and Wales hereby certifies that a charge dated 9th May 2018 and created by VUR VILLAGE HOTELS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 14th May 2018 .

Given at Companies House, Cardiff on 16th May 2018

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATED 9 May 2018

BETWEEN

THE COMPANIES LISTED IN SCHEDULE 1
AS THE CHARGORS

IN FAVOUR OF

WELLS FARGO BANK, N.A., LONDON BRANCH
AS THE SECURITY AGENT

SUPPLEMENTAL SECURITY AGREEMENT

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THIS SECURITY AGREEMENT is made by way of deed on 9 May 2018 by:

- (1) **THE COMPANIES** listed in Schedule 1 (*Chargors*) in their capacity as chargors (the "**Chargors**"); and
- (2) **WELLS FARGO BANK, N.A., LONDON BRANCH** as trustee for each of the Secured Parties (the "**Security Agent**").

BACKGROUND

- (A) The Original Lenders made a facility available to the Borrower pursuant to the Original Facility Agreement (as defined below).
- (B) Pursuant to the Original Security Agreement (as defined below) each Chargor created security over certain of the assets in favour of the Security Agent as continuing security for the payment and discharge of all the Secured Obligations (as defined in the Original Security Agreement).
- (C) The Agent and Lenders have agreed to extend the facility by making available to the Borrower loan facilities pursuant to the Amended Facility Agreement (as defined below) in accordance with the terms of the Finance Documents.
- (D) It is a condition precedent to those loan facilities being made that each Chargor enters into this Deed.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Security Agreement:

"Account" means each of the Debt Service Account, the Proceeds Account, the Cash Trap Account, each Operating Account, the Group Collection Account, the FF&E Account and the General Account.

"Additional Real Property" means (including as provided in Clause 1.5 (*Real Property*)), the freehold and leasehold property specified in Part B (*Additional Real Property*) of Schedule 2 (*Real Property*) and any present or future freehold, heritable, leasehold, long leasehold or immoveable property and any other interest in land or buildings and all rights relating thereto in which a Chargor has an interest.

"Administration Event" means:

- (a) the presentation of an application or petition to the court for the making of an administration order in relation to a Chargor; or
- (b) any person (who is entitled to do so) gives notice of its intention to appoint an administrator to a Chargor or files such a notice with the court.

"Assigned Loans" means each and every sum paid or payable from time to time to a Chargor pursuant to an Inter-company Loan Agreement governed by the laws of England and any other sum from time to time paid or payable by any Transaction Obligor for the time being to a Chargor.

"Amended Facility Agreement" means the Original Facility Agreement, as amended and restated by an amendment and restatement agreement dated on or about the date hereof between the Borrower, the Obligors, the Arranger, the Agent and the Security Agent.

"Hotel Management Agreement" means any management agreement entered into by a member of the Group with a person or entity which is not a member of the Group in relation to the provision of hotel management services by that member of the Group to that person or entity.

"Intellectual Property" means:

- (a) any patents, trademarks, service marks, designs, business names, topographical or similar rights, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests (which may now or in the future subsist and including any interest by way of licence), whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets of each member of the Group (which may now or in the future subsist).

"Inter-company Loan Agreement" means any loan agreement or other debt instrument pursuant to which a Chargor has provided debt to a member of the Group.

"Investment" means all Shares, securities, certificates of deposit and other investments, all interests in collective investment schemes and partnerships and all warrants, options and rights to subscribe for any investment whether held directly by or to the order of a Chargor or by any trustee, nominee, custodian, fiduciary or clearance system on its behalf (including all rights against any such trustee, nominee, custodian, fiduciary or clearance system).

"Lease Document" means:

- (a) an Agreement for Lease;
- (b) an Occupational Lease; or
- (c) any other document designated as such by the Agent and the Obligors' Agent.

"Original Facility Agreement" means the facility agreement dated 14 November 2016 between, amongst others, the Borrower, Wells Fargo Bank, N.A., London Branch as the Agent and the Security Agent, Wells Fargo Bank International Unlimited Company as the Mandated Lead Arranger and the Original Lenders (each as defined in that agreement as amended, varied, novated or supplemented from time to time).

"Original Security Agreement" means the security agreement dated 17 November 2016 between, amongst others, the Chargors and the Security Agent.

"Original Real Property" means (including as provided in Clause 1.5 (*Real Property*)), the freehold and leasehold property specified in Part A (*Original Real Property*) of Schedule 2 (*Real Property*) and any present or future freehold, heritable, leasehold, long leasehold or immoveable property and any other interest in land or buildings and all rights relating thereto in which a Chargor has an interest.

"Real Property" means the Original Real Property and the Additional Real Property.

"Receiver" means a receiver or receiver and manager or, where permitted by law, administrative receiver of the whole or any part of the Security Assets and that term will include any appointee made under a joint or several appointment.

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

- (a) the proceeds of sale or rental 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, powers, benefits, claims, causes of action, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of or derived from that asset; and
- (d) any moneys and proceeds paid or payable in respect of that asset.

"Relevant Share" means all Shares held by any Chargor from time to time in any company which is incorporated under the laws of England and Wales.

"Secured Obligations" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) of each Obligor to any Secured Party under each Finance Document.

"Secured Parties" means the Security Agent, the Agent, the Mandated Lead Arranger and each Lender from time to time party to the Amended Facility Agreement and any Receiver or Delegate.

"Security Assets" means each of the assets and undertaking of each Chargor which from time to time are, or are expressed to be, the subject of any Security created or expressed to be created by it in favour of the Security Agent by or pursuant to this Security Agreement.

"Security Period" means the period beginning on the date of this Security Agreement and ending on the date on which the Secured Obligations have been irrevocably and unconditionally paid or discharged in full and no Finance Party is under any further actual or contingent obligation to make advances or provide other financial accommodation to any Chargor or any other person under any of the Finance Documents.

"Share" means any stock, share, debenture or other security.

"VUR Village Chargor" means each of:

- (a) VUR Village Trading No.1 Limited (registered number 00418878); and
- (b) VUR Village Properties Limited (registered number 06139041).

"Warranty and Indemnity Insurance Policy" means the warranty and indemnity insurance policy dated 3 November 2014 with policy number 38085634 between AIG Europe Limited as insurer and VUR Investment (UK) Limited as the insured, in relation to, amongst other agreements, the Tax Deed.

1.2 Terms defined in other Finance Documents

Unless defined in this Security Agreement, or the context otherwise requires, a term defined in the Amended Facility Agreement or in any other Finance Document has the same meaning in this Security Agreement or any notice given under or in connection with this Security Agreement, as if all references in those defined terms to the Amended Facility Agreement or other Finance Document were a reference to this Security Agreement or that notice.

1.3 Construction

Clauses 1.2 (*Construction*) and 1.3 (*Currency symbols and definitions*) of the Amended Facility Agreement will apply as if incorporated in this Security Agreement or in any notice given under or in connection with this Security Agreement, as if all references in those Clauses to the Amended Facility Agreement were a reference to this Security Agreement or that notice.

1.4 Application of provisions in Amended Facility Agreement

Clauses 1.4 (*Third Party Rights*), 8.4 (*Default interest*), 12 (*Tax Gross Up and Indemnities*), 14 (*Other Indemnities*), 16 (*Costs and Expenses*), 27.1 (*Assignments and transfers by Obligors*), 32 (*Payment Mechanics*), 34 (*Notices*), 35.1 (*Accounts*), 35.2 (*Certificates and determinations*), 38 (*Amendments and Waivers*) and 43 (*Enforcement*) of the Amended Facility Agreement are deemed to form part of this Security Agreement as if expressly incorporated into it and as if all references in those clauses to the Amended Facility Agreement were references to this Security Agreement.

1.5 Real Property

A reference in this Security Agreement to a mortgage, standard security, assignment or charge of any freehold, heritable, leasehold, long leasehold or commonhold property includes all buildings, fixtures and fittings from time to time on or forming part of that property and all Related Rights.

1.6 Present and future assets

- (a) A reference in this Security Agreement to any Security Asset or other asset includes, unless the contrary intention appears, present and future Security Assets and other assets (unless the relevant clause relates to the creation of a legal mortgage in respect of a future Security Asset).

- (b) The absence of or incomplete details of any Security Assets in any Schedule shall not affect the validity or enforceability of any Security under this Security Agreement.

1.7 Disposition of Property

The terms of the Amended Facility Agreement and each other Finance Document and of any side letters between the Parties in relation to the Finance Documents are incorporated into this Security Agreement and each other Finance Document to the extent required for any purported disposition of any Real Property contained in any Finance Document to be a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.8 Fixed Security

- (a) Clauses 4.1 (*Mortgage*) to 4.3 (*Fixed charges*) shall be construed as creating a separate and distinct fixed charge or assignment by way of security over each relevant asset within any particular class of assets defined under this Security Agreement and the failure to create an effective mortgage, fixed charge or assignment by way of security (whether arising out of this Security Agreement or any act or omission by any party) on any one asset shall not affect the nature of any mortgage, fixed charge or assignment imposed on any other asset whether within that same class of assets or not.
- (b) The mortgages, fixed charges and assignments created by Clauses 4.1 (*Mortgage*) to 4.3 (*Fixed Charges*) shall not apply to any assets validly secured by a fixed security governed by Scots law or the Glasgow Property.

1.9 No obligation

The Security Agent shall not be under any obligation in relation to the Security Assets as a consequence of this Security Agreement and each Chargor shall at all times remain liable to perform all obligations expressed to be assumed by it in respect of the Security Assets.

2. COVENANT TO PAY

Each Chargor covenants with the Security Agent (as trustee for the Secured Parties) that it shall, on demand of the Security Agent pay, discharge and satisfy the Secured Obligations in accordance with their respective terms.

3. COMMON PROVISIONS

3.1 Common provisions as to all Security

All the Security constituted by or pursuant to this Security Agreement is:

- (a) created with full title guarantee (or in relation to assets situated in Scotland, with absolute warrandice);

- (b) created in favour of the Security Agent as trustee for the Secured Parties and the Security Agent shall hold the benefit of this Security Agreement and the Security created by or pursuant to it on trust for the Secured Parties; and
- (c) continuing security for the payment and discharge of all the Secured Obligations.

4. FIXED SECURITY

4.1 Mortgage

- (a) Each Chargor charges, by way of second legal mortgage (subject only to the first legal mortgage created by the Original Security Agreement), its Original Real Property.
- (b) Each VUR Village Chargor charges, by way of first legal mortgage, its Additional Real Property.

4.2 Assignment by way of Security

Each Chargor assigns and agrees to assign absolutely to the fullest extent assignable or capable of assignment and which is permitted to be assigned without infringing any contractual provision restricting the same, all of its rights, title and interest from time to time in and to each of the following assets:

- (a) any Hotel Management Agreement, Intra-Group Lease and the Lease Documents, in each case to which a Chargor is a party, and all other Related Rights;
- (b) any contract or agreement to which that Chargor is a party and all Related Rights;
- (c) any policy of insurance in which a Chargor may at any time have an interest and all proceeds paid or payable thereunder to a Chargor and all other Related Rights;
- (d) the Assigned Loans, together with all Related Rights; and
- (e) the Warranty and Indemnity Insurance Policy.

4.3 Fixed charges

Each Chargor charges (to the extent not validly and effectively mortgaged or assigned pursuant to Clause 4.1 (*Mortgage*) or 4.2 (*Assignment by way of Security*)) by way of second fixed charge (subject only to the first fixed charge created by the Original Security Agreement), all of its rights, title and interest from time to time in and to each of the following assets:

- (a) the Real Property and all Related Rights;
- (b) claims or sums of money deriving from or in relation to any court order or judgment, and proceeds of any insurance policy;
- (c) any master agreement, confirmation, transaction, schedule or other agreement entered into or to be entered into by the Borrower and the Hedge Counterparty

for the purpose of hedging interest or otherwise evidencing or relating to any swap, cap, floor, collar or option transaction or any other treasury transaction or any combination of the same or any other transaction entered into in connection with protection against or benefit from fluctuation or movement in interest or currency rates or in any other rate, index or return howsoever described and all proceeds paid or payable thereunder and all other Related Rights;

- (d) each of its accounts with any bank, building society, financial institution or other person (including any replacement account or subdivision or sub-account of that account) and the debt or debts represented thereby and all other Related Rights and for the avoidance of doubt, the Security Agent shall not require any Chargor to take any action in relation to the Security granted pursuant to this paragraph (d) in respect of the General Account, any Operating Account, the FF&E Account or the Group Collection Account that would restrict that Chargor's ability to deal with any such account in a manner permitted under the terms of the Amended Facility Agreement, unless an Event of Default has occurred and is continuing;
- (e) plant, machinery, office equipment, computers, vehicles, furniture, fittings and other chattels and all Related Rights;
- (f) goodwill and rights and claims in relation to its uncalled share capital;
- (g) rights to recover any VAT on any supplies made to it relating to the Security Assets and any sums so recovered;
- (h) the Relevant Shares and all dividends, interest and other moneys payable in respect of the Relevant Shares and all other Related Rights (whether derived by way of redemption, bonus, preference, options, substitution, conversion, compensation or otherwise;
- (i) Investments and all Related Rights (including all rights against any trustee, nominee, fiduciary or clearance system in respect of those Investments) to the extent not charged pursuant to (h) above;
- (j) the Intellectual Property and all Related Rights, which includes, without limitation, any specified opposite its name in Part A (*Registered Trademarks*) of Schedule 7 and the domain names specified in Part B (*Domain Names*) of Schedule 7 (*Intellectual Property Rights*); and
- (k) each of the assets which are specified in Clause 4.1 (*Mortgage*).

5. FLOATING CHARGE

5.1 Floating charge

- (a) Each Chargor charges, by way of second floating charge (subject only to the first floating charge created by the Original Security Agreement), all its present and future assets and undertaking including all of its assets located in Scotland or otherwise governed by Scots law, other than the Glasgow Property.

- (b) The floating charge created by paragraph (a) above shall be deferred in point of priority to (i) all fixed Security (ii) any Scottish Floating Charge and (iii) any Supplemental Scottish Floating Charge validly and effectively created by that Chargor under the Finance Documents in favour of the Security Agent (as trustee for the Secured Parties) as security for the Secured Obligations.
- (c) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by paragraph (a) above.

5.2 Rights of the Chargors

Each Chargor shall remain entitled to exercise all of its rights, powers and discretions under or in relation to the Security Assets in each case so long as such exercise is permitted by the Amended Facility Agreement and this Security Agreement, unless and until the security constituted under this Security Agreement has been enforced in accordance with the terms of this Security Agreement (excepting any asset for which an alternative trigger is specified in this Security Agreement, in which case such alternative trigger will apply), at which point all such rights, powers and discretions shall be exercisable by, and notices shall be given to, the Security Agent or as it directs.

5.3 Conversion of floating charge to fixed Security

- (a) The Security Agent may at any time, while this Security Agreement is enforceable in accordance with Clause 11 (*Enforcement of security*), by notice to any Chargor convert the floating charge constituted under Clause 5.1 (*Floating charge*) with immediate effect into a fixed charge as regards any asset which is the subject of the floating charge or which is specified in the notice.
- (b) In addition, without prejudice to any law which may have a similar effect, the floating charge constituted under Clause 5.1 (*Floating charge*) will automatically be converted (without notice) with immediate effect into a fixed charge as regards all assets the subject of the floating charge if:
 - (i) any Chargor creates or attempts to create any Security (other than any Security permitted under the terms of the Amended Facility Agreement), over any of the Security Assets;
 - (ii) any person levies or attempts to levy any distress, execution or other process against any of the Security Assets (except where such steps are frivolous or vexatious and are discharged, stayed or dismissed within 14 days of commencement);
 - (iii) an Administration Event occurs;
 - (iv) a Receiver is appointed over all or any of the Security Assets;
 - (v) a meeting is convened for the passing of a resolution for the voluntary winding-up of any Chargor;
 - (vi) a petition is presented for the compulsory winding-up of any Chargor;
 - (vii) a provisional liquidator is appointed to any Chargor; or

- (viii) a resolution is passed or an order is made for the dissolution or reorganisation of any Chargor,

or any analogous procedure or step is taken in any jurisdiction.

6. PROVISIONS AS TO SECURITY AND PERFECTION

6.1 Negative pledge and restriction on dealings

Except where agreed in writing by the Security Agent or as permitted under the Finance Documents, no Chargor will at any time during the Security Period create or permit to subsist any Security over all or any part of the Security Assets or dispose of or otherwise deal with any part of the Security Assets.

6.2 Implied covenants for title

- (a) The covenants set out in Sections 3(1), 3(2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to Clauses 4 (*Fixed Security*) or 5 (*Floating charge*).
- (b) It shall be implied in respect of Clauses 4 (*Fixed Security*) and 5 (*Floating charge*) that each Chargor is disposing of the Security Assets free from all charges and incumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment), save as disclosed in the Property Report.

6.3 Notices of Security: Insurances

- (a) Promptly upon the date of this Security Agreement:
 - (i) in relation to all property damage and business interruption and terrorism policies in existence on the date of this Security Agreement; or
 - (ii) if later, upon a Chargor entering into any such insurances with any insurer,

that Chargor will join the Security Agent in giving notice to its insurer in respect of its property damage and business interruption policies, of the Security constituted under this Security Agreement in respect of any such Insurances such notices being in the form set out in Part A of Schedule 3 (*Insurances*).

- (b) Each Chargor will use reasonable endeavours to procure from each of the insurers referred to in paragraph 6.3(a) above an acknowledgement in the form set out in Part B of Schedule 3 (*Acknowledgement of notice of security*) or such other form as the Security Agent may agree.

6.4 Notice of Security: Accounts

- (a) Each Chargor will promptly upon the date of this Security Agreement in relation to each Account, give notice to the relevant bank, building society, financial institution or other person of the Security constituted under this Security

Agreement, the notice being in the form set out in Part A (*Notice of Security to Account Bank*) of Schedule 4 (*Accounts*) (or such other form as the Security Agent may agree).

- (b) Each Chargor will use reasonable endeavours to procure from the Account Bank and any other such relevant bank, building society or other financial institution with which it holds an account, an acknowledgement of receipt of such notice in the form set out in Part B (*Acknowledgement of Security by Account Bank*) of Schedule 4 (*Accounts*) (or such other form as the Security Agent may agree).

6.5 Notice of Security: Assigned Loans

- (a) Each Chargor will promptly upon the date of this Security Agreement in relation to all Assigned Loans in existence on the date of this Security Agreement, or, if later, upon the entry into of any such Assigned Loan, give notice to the relevant Transaction Obligor of the security constituted under this Security Agreement, by way of the applicable Security Document or otherwise in such form as the Security Agent may agree.
- (b) Each Chargor will use reasonable endeavours to procure from the relevant Transaction Obligor an acknowledgement of receipt of such notice in such form as the Security Agent may agree.
- (c) Each Chargor which is the borrower of an Assigned Loan acknowledges receipt of notice of assignment under clause 4.2 (*Assignment by way of security*) of the relevant Assigned Loan.

6.6 Notice of Security: Hedging Agreements

- (a) Immediately after the entry into of any such Hedging Agreement, the Borrower shall within 15 Business Days of the date of the Amended Facility Agreement give notice to each counterparty of each Hedging Agreement of the security in the form set out in Part A of Schedule 5 (*Notice of Assignment*) (or in such other form as may be agreed by the Security Agent) duly executed by or on behalf of the Borrower.
- (b) The Borrower shall use reasonable endeavours to procure an acknowledgement of receipt from the Hedge Counterparty of such notice in the form set out in Part B of Schedule 5 (*Acknowledgement of Assignment*).

6.7 Notice of Security: tenants

- (a) Each Chargor must:
 - (i) if so required by the Security Agent whilst an Event of Default is continuing, promptly serve a notice of assignment, substantially in the form of Part A of Schedule 6 (*Forms of Letter for Occupational Tenants*), on each tenant of the Real Property; and
 - (ii) use reasonable endeavours to ensure that each such tenant acknowledges that notice, substantially in the form of Part B of Schedule 6 (*Forms of Letter for Occupational Tenants*).

- (b) Each Chargor which is a tenant of any Real Property is deemed to acknowledge receipt of any notice served on it under paragraph (a)(i) above.

6.8 Notice of security: Intra-group Leases

- (a) Each Chargor will promptly upon the date of this Security Agreement in relation to all Intra-group Leases in existence on the date of this Security Agreement, or, if later, upon the entry into of any such Intra-group Lease, give notice to the relevant Chargor of the security constituted under this Security Agreement, by way of the applicable Security Document or otherwise in such form as the Security Agent may agree.
- (b) Each Chargor which is the tenant under an Intra-group Lease acknowledges receipt of notice of assignment under clause 4.2 (*Assignment by way of security*) of the relevant Intra-group Lease.

6.9 Delivery of share certificates

Each Chargor shall promptly upon the acquisition, accrual, offer or issue of any stocks, shares, warrants or other securities in respect of or derived from the Relevant Shares (or upon acquiring any interest therein), notify the Security Agent of that occurrence and procure the delivery to the Security Agent of (a) all certificates or other documents of title representing such items and (b) such stock transfer forms or other instruments of transfer (executed in blank by it or on its behalf) in respect thereof as the Security Agent may reasonably request within five Business Days of such a request.

6.10 Deposit of title deeds

Each Chargor shall:

- (a) as soon as reasonably practicable and in any event within five Business Days of receipt, deposit (or procure the deposit) with the Security Agent all deeds, certificates and other documents constituting or evidencing title to any Real Property (or procure that the same are held to the order of the Security Agent subject to an undertaking in form and substance satisfactory to the Security Agent); and
- (b) deposit with the Security Agent at any time thereafter any further such deeds, certificates, instruments of transfer and other documents in relation to Real Property as soon as reasonably practicable and in any event within five Business Days of receipt (or procure that the same are held to the order of the Security Agent subject to an undertaking in form and substance satisfactory to the Security Agent).

6.11 Application to the Land Registry

Each Chargor hereby consents to an application being made to the Land Registry to enter the following restriction in the Proprietorship Register of any registered land at any time forming part of the Real Property (with the exclusion of registered land located in Scotland):

"No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [] in favour of Wells Fargo Bank, N.A., London Branch referred to in the charges register or their conveyancer."

6.12 Further advances

- (a) Subject to the terms of the Amended Facility Agreement, each Lender is under an obligation to make further advances to each Chargor and that obligation will be deemed to be incorporated in this Security Agreement as if set out in this Security Agreement.
- (b) Each Chargor consents to an application being made to the Land Registry to enter the obligation to make further advances on the Charges Register of any registered land forming part of the Security Assets.

6.13 Assigned Loans

The Security Agent shall not be under any obligation in relation to any Assigned Loan or any Inter-company Loan Agreement as a consequence of this Agreement and each Chargor shall at all times remain liable to perform all obligations expressed to be assumed by it in respect of the Assigned Loans and each Inter-company Loan Agreement.

7. FURTHER ASSURANCE

7.1 Further assurance

- (a) The covenant set out in Section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in paragraph (b) below.
- (b) Each Chargor shall promptly, at its own cost, take all such action (including filings, registrations and notarisations and applying for relief against forfeiture) and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably require (and in such form as the Security Agent may reasonably require) in favour of the Security Agent or its nominee(s) to:
 - (i) create, perfect, protect and/or maintain the Security created or intended to be created in respect of the Security Assets in accordance with the rights vested in it under this Security Agreement (which may include the execution by each Chargor of a mortgage, standard security, charge, assignation or assignment over all or any of the assets constituting, or intended to constitute, Security Assets or the sending of any notice of Security) or for the exercise of any of the rights, powers and remedies of the Security Agent provided by or pursuant to this Security Agreement or by law;
 - (ii) confer on the Security Agent Security over any asset or undertaking of each Chargor located in any jurisdiction outside England and Wales

equivalent or similar to the security intended to be conferred by or pursuant to this Security Agreement; and/or

- (iii) following an Event of Default (which is continuing), facilitate the realisation of the Security Assets.

8. SHARES AND INVESTMENTS

8.1 Dividends prior to this Security Agreement becoming enforceable

Prior to this Security Agreement becoming enforceable in accordance with Clause 11.1 (*Enforcement*), each Chargor shall be entitled to receive all dividends, interest and other moneys arising from the Relevant Shares.

8.2 Dividends after this Security Agreement has become enforceable

Upon this Security Agreement becoming enforceable in accordance with Clause 11.1 (*Enforcement*), the Security Agent may, at its discretion and election, (in the name of the relevant Chargor or otherwise and without any further consent or authority from any Chargor) apply all dividends, interest and other moneys arising from the Relevant Shares as though they were the proceeds of sale in accordance with Clause 15 (*Application of Moneys*).

8.3 Voting rights prior to notice

Prior to the giving of notice pursuant to Clause 8.4 (*Voting rights after notice*), the relevant Chargor shall be entitled to exercise all voting rights in relation to the Relevant Shares.

8.4 Voting rights after notice

Upon this Security Agreement becoming enforceable in accordance with Clause 11.1 (*Enforcement*), the Security Agent may (but without having any obligation to do so) give notice to the Chargors (with a copy to the Agent) that this Clause 8.4 will apply. With effect from the giving of that notice the Security Agent may, at its discretion, in the name of the relevant Chargor or otherwise and without any further consent or authority from any Chargor:

- (a) exercise (or refrain from exercising) any voting rights in respect of the Relevant Shares;
- (b) transfer the Relevant Shares into the name of the Security Agent or such nominee(s) of the Security Agent as it shall require; and
- (c) exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Relevant Shares including the right, in relation to any company whose shares or other securities are included in the Relevant Shares, to concur or participate in:
 - (i) the reconstruction, amalgamation, sale or other disposal of such company or any of its assets or undertaking (including the exchange,

conversion or reissue of any shares or securities as a consequence thereof);

- (ii) the release, modification or variation of any rights or liabilities attaching to such shares or securities; and
- (iii) the exercise, renunciation or assignment of any right to subscribe for any shares or securities,

in each case in the manner and on the terms the Security Agent thinks fit, and the proceeds of any such action shall form part of the Relevant Shares.

8.5 Shares: Voting rights

No Chargor shall exercise (and shall procure that any nominee acting on its behalf does not exercise) its voting rights in relation to the Relevant Shares or other Investments in any manner, or otherwise permit or agree to or concur or participate in any variation of the rights attaching to or conferred by all or any part of the Relevant Shares which in the opinion of the Security Agent would materially prejudice the ability of the Security Agent to realise the security created by this Security Agreement provided that the proceeds of any such action shall form part of the Relevant Shares.

8.6 Investments and Shares: Payment of calls

The relevant Chargor shall pay when due all calls or other payments which may be or may become due in respect of any of the Relevant Shares or other Investments, and in any case of default by it in such payment, the Security Agent may, if it thinks fit, make such payment on its behalf in which case any sums paid by the Security Agent shall be reimbursed by each Chargor to the Security Agent within five Business Days of written request and shall carry interest from the date of payment by the Security Agent until reimbursed at the rate from time to time applicable to unpaid sums specified in the Amended Facility Agreement.

8.7 Investments: Exercise of rights

Each Chargor must not take or allow the taking of any action on its behalf which may result in the rights attaching to any of the Investments being altered in a way which will materially and adversely affect:

- (a) the interests of the Security Agent under this Security Agreement;
- (b) the enforceability of the Security; or
- (c) the transferability of the Investments.

9. INTELLECTUAL PROPERTY

9.1 Representation

Each Chargor represents to each Secured Party that as at the date of this Security Agreement, or if later, the date it became a Party, all Intellectual Property which are material to its business are identified opposite its name in Part A (*Registered*

Trademarks) and underneath its name in Part B (*Domain Names*) of Schedule 7 (*Intellectual Property*).

10. ACCOUNTS

The Security Agent may, at any time on behalf of any Secured Party while this Security Agreement is enforceable in accordance with Clause 11 (*Enforcement of security*), without prior notice:

- (a) set-off, transfer or apply any Account and any other account which is the subject of the security created by this Security Agreement and any debt represented thereby in or towards satisfaction of all or any part of the Secured Obligations; and
- (b) demand and receive all and any moneys due under or arising out of each Account and exercise all rights that any Chargor was then entitled to exercise in relation to that Account or might, but for the terms of this Security Agreement, exercise.

11. ENFORCEMENT OF SECURITY

11.1 Enforcement

On and at any time after the occurrence of:

- (a) an Event of Default which is continuing; or
- (b) a request from any Chargor to the Security Agent that it exercise any of its powers under this Security Agreement,

the Security created by or pursuant to this Security Agreement is, immediately enforceable and the Security Agent may, without notice to any Chargor or prior authorisation from any court, in its absolute discretion:

- (i) enforce all or any part of that Security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Security Assets (at the times, in the manner and on the terms it thinks fit (including whether for cash or non-cash consideration)); and
- (ii) whether or not it has appointed a Receiver, exercise all or any of the rights, powers, authorities and discretions conferred by the Law of Property Act 1925 (as varied or extended by this Security Agreement) on mortgagees and by this Security Agreement on any Receiver or otherwise conferred by law on mortgagees or Receivers.

11.2 Effect of Moratorium

The Security Agent shall not be entitled to exercise its rights under Clause 11.1 (*Enforcement*) or Clause 5.3 (*Conversion of floating charge to fixed Security*) where the right arises as a result of an Event of Default occurring solely due to any person

obtaining or taking steps to obtain a moratorium pursuant to Schedule A1 of the Insolvency Act 1986.

12. EXTENSION OF POWERS AND RIGHT OF APPROPRIATION

12.1 Extension of powers

The power of sale or other disposal conferred on the Security Agent and on any Receiver by this Security Agreement shall operate as a variation and extension of the statutory power of sale under Section 101 of the Law of Property Act 1925 and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of this Security Agreement.

12.2 Restrictions

The restrictions contained in Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Security Agreement or to the exercise by the Security Agent of its right to consolidate all or any of the security created by or pursuant to this Security Agreement with any other security in existence at any time or to its power of sale, which powers may be exercised by the Security Agent without notice to any Chargor on or at any time after this Security Agreement has become enforceable in accordance with Clause 11 (*Enforcement of Security*).

12.3 Power of leasing

- (a) The statutory powers of leasing may be exercised by the Security Agent at any time on or after this Security Agreement has become enforceable in accordance with Clause 11 (*Enforcement of Security*) and the Security Agent and any Receiver may make any lease or agreement for lease, accept surrenders of leases and grant options on such terms as it shall think fit, without the need to comply with Sections 99 and 100 of the Law of Property Act 1925.
- (b) For the purposes of Sections 99 and 100 of the Law of Property Act 1925, the expression "Mortgagor" will include any incumbrancer deriving title under any Chargor and neither Sub-section (18) of Section 99 nor Sub-section (12) of Section 100 of the Law of Property Act 1925 will apply.

12.4 Right of appropriation

At any time after the Security created by or pursuant to this Security Agreement has become enforceable in accordance with Clause 11 (*Enforcement of Security*), to the extent that the provisions of the Financial Collateral Arrangements (No. 2) Regulations 2003 (the "**Regulations**") apply to a Security Asset, the Security Agent shall have the right to appropriate all or any part of that Security Asset in or towards the payment or discharge of the Secured Obligations and may exercise such right to appropriate upon giving written notice to the Chargors. Each Secured Party will give credit for the proportion of the value of the financial collateral appropriated to its use. For this purpose, a commercially reasonable method of valuing a Security Asset shall be:

- (a) in the case of cash, the amount standing to the credit of each Account or to the credit of any other account with any bank, building society, financial institution

or otherwise, together with any accrued but unposted interest, at the time of appropriation; and

- (b) in the case of any Investments or Shares:
 - (i) their market value reasonably determined by the Security Agent by reference to a public index or independent valuation obtained from an independent investment or accounting firm of national standing selected by it; or
 - (ii) by such other process as the Security Agent may reasonably select.

In each case, the parties agree that the method of valuation provided for in this Security Agreement shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

13. APPOINTMENT OF RECEIVER OR ADMINISTRATOR

13.1 Appointment and removal

After the Security created by or pursuant to this Security Agreement has become enforceable in accordance with Clause 11 (*Enforcement of security*), the Security Agent may by deed or otherwise (acting through an authorised officer of the Security Agent):

- (a) without prior notice to any Chargor:
 - (i) appoint one or more persons to be a Receiver of the whole or any part of the Security Assets; or
 - (ii) appoint two or more Receivers of separate parts of the Security Assets; or
 - (iii) remove (so far as it is lawfully able) any Receiver so appointed; or
 - (iv) appoint another person(s) as an additional or replacement Receiver(s); or
 - (v) appoint one or more persons to be an administrator of any Chargor pursuant to paragraph 14 of Schedule B1 of the Insolvency Act 1986; and
- (b) following notice to any relevant Chargor, appoint one or more persons to be an administrator of any Chargor pursuant to paragraph 12 of Schedule B1 of the Insolvency Act 1986.

13.2 Capacity of Receivers

Each person appointed to be a Receiver pursuant to Clause 13.1 (*Appointment and removal*) shall be:

- (a) entitled to act individually or together with any other person appointed or substituted as Receiver;

- (b) for all purposes deemed to be the agent of each Chargor which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for the Security Agent; and
- (c) entitled to remuneration for his services at a rate to be fixed by the Security Agent from time to time (without being limited to the maximum rate specified by the Law of Property Act 1925).

13.3 Statutory powers of appointment

The powers of appointment of a Receiver shall be in addition to all statutory and other powers of appointment of the Security Agent under the Law of Property Act 1925 (as extended by this Security Agreement) or otherwise and such powers shall remain exercisable from time to time by the Security Agent in respect of any part of the Security Assets.

14. POWERS OF RECEIVERS

Every Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of any Chargor) have and be entitled to exercise, in relation to the Security Assets (and any assets which, when got in, would be Security Assets in respect of which he was appointed), and as varied and extended by the provisions of this Security Agreement (in the name of or on behalf of any Chargor or in his own name and, in each case, at the cost of that Chargor):

- (a) all the powers conferred by the Law of Property Act 1925 on mortgagors and on mortgagees in possession and on receivers appointed under that Act;
- (b) all the powers of an administrative receiver and Scottish receiver set out in Schedules 1 and 2 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- (c) all the powers and rights of an absolute owner and power to do or omit to do anything which a Chargor itself could do or omit to do; and
- (d) the power to do all things (including bringing or defending proceedings in the name or on behalf of a Chargor) which seem to the Receiver to be incidental or conducive to:
 - (i) any of the functions, powers, authorities or discretions conferred on or vested in him;
 - (ii) the exercise of any rights, powers and remedies of the Security Agent provided by or pursuant to this Security Agreement or by law (including realisation of all or any part of the assets in respect of which that Receiver was appointed); or
 - (iii) bringing to his hands any assets of any Chargor forming part of, or which when got in would be, Security Assets.

15. APPLICATION OF MONEYS

All moneys received or recovered and any non-cash recoveries made or received by the Security Agent or any Receiver pursuant to this Security Agreement or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Law of Property Act 1925) be applied first in the payment or other discharge of the costs, charges and expenses incurred and payments made by the Receiver, the payment or other discharge of his remuneration and the discharge of any liabilities incurred by the Receiver in, or incidental to, the exercise of any of his powers, and thereafter shall be applied by the Security Agent (notwithstanding any purported appropriation by any Chargor) in accordance with the terms of the Amended Facility Agreement.

16. PROTECTION OF PURCHASERS

16.1 Consideration

The receipt of the Security Agent or any Receiver shall be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Security Assets or making any acquisition, the Security Agent or any Receiver may do so for such consideration (whether cash or non-cash), in such manner and on such terms as it thinks fit.

16.2 Protection of purchasers

No purchaser or other person dealing with the Security Agent or any Receiver shall be bound to inquire whether the right of the Security Agent or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the Security Agent or such Receiver in such dealings.

17. POWER OF ATTORNEY

17.1 Appointment and powers

Each Chargor by way of security irrevocably appoints the Security Agent and any Receiver severally to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents and do all things which the attorney may consider to be required for:

- (a) carrying out any obligation imposed on any Chargor by this Security Agreement or any other agreement binding on such Chargor to which the Security Agent is party (including the execution and delivery of any deeds, charges, standard securities, assignments, assignments or other security and any transfers of the Security Assets and perfecting and/or releasing the security created or intended to be created in respect of the Security Assets), which obligation such Chargor has failed to carry out (on the date on which it was obliged to do so); and
- (b) enabling the Security Agent and any Receiver to exercise, or delegate the exercise of, any of the rights, powers and authorities conferred on them by or pursuant to this Security Agreement or by law (including, after this Security Agreement has become enforceable in accordance with Clause 11 (*Enforcement of security*), the exercise of any right of a legal or beneficial owner of the Security Assets),

provided that such power of attorney shall not be exercisable by the Security Agent, any Receiver or Delegate until the occurrence of an Event of Default which is continuing.

17.2 Ratification

Each Chargor shall ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers.

18. EFFECTIVENESS OF SECURITY

18.1 Continuing security

- (a) The Security created by or pursuant to this Security Agreement shall remain in full force and effect as a continuing security for the Secured Obligations unless and until discharged by the Security Agent in writing.
- (b) No part of the Security from time to time intended to be constituted by this Security Agreement will be considered satisfied or discharged by an intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations.

18.2 Cumulative rights

The Security created by or pursuant to this Security Agreement shall be cumulative, in addition to and independent of every other Security which the Security Agent or any Secured Party may at any time hold for the Secured Obligations or any other obligations or any rights, powers and remedies provided by law and shall operate as an independent security notwithstanding any receipt, release or discharge endorsed on or given in respect of or under any such other Security. No prior Security held by the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Parties over the whole or any part of the Security Assets shall merge into the Security constituted by this Security Agreement.

18.3 No prejudice

The Security created by or pursuant to this Security Agreement shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to any Chargor or any other person, by the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Parties or by any variation of the terms of the trust upon which the Security Agent holds the security or by any other thing which might otherwise prejudice that Security.

18.4 Remedies and Waivers

No failure on the part of the Security Agent to exercise, nor any delay on its part in exercising, any right, power or remedy under this Security Agreement, shall operate as a waiver of that right, power or remedy or, power constitute an election to affirm this Security Agreement. No election to affirm this Security Agreement on the part of the Security Agent shall be effective unless it is in writing. The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any provided by law.

No single or partial exercise of any right, power or remedy shall preclude any further or other exercise of that or any other right or remedy.

18.5 No liability

None of the Security Agent, its nominee(s) nor any Receiver shall be liable

- (a) to account as a mortgagee or mortgagee in possession; or
- (b) for any loss arising by reason of taking any action permitted by this Security Agreement or any neglect or default in connection with the Security Assets or taking possession of or realising all or any part of the Security Assets,

except in the case of gross negligence or wilful default upon its part.

18.6 Partial invalidity

If, at any time, any provision of this Security Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Security Agreement nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the security intended to be created by or pursuant to this Security Agreement is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the security.

18.7 Waiver of defences

The obligations of, and the Security created by, each Chargor under this Security Agreement and the rights and remedies provided by this Security Agreement will not be affected by any act, omission, matter or thing which, but for this Clause 18.7, would reduce, release or prejudice any of its obligations under, or the Security created by, this Security Agreement and whether or not known to that Chargor or any Secured Party including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any Obligor;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of, any Obligor or any other person;
- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of a Finance

Document or any other document or security or of the Secured Obligations (including, without limitation, any change in the purpose of, any extension of, or any variation or increase in any facility or amount made available under any facility or the addition of any new facility under any Finance Document or other documents);

- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or Security or of the Secured Obligations; and
- (g) any insolvency or similar proceedings.

18.8 Chargor intent

Without prejudice to the generality of Clause 18.7 (*Waiver of Defences*), each Chargor expressly confirms that it intends that the Security created under this Security Agreement and the rights and remedies arising thereunder, shall extend from time to time to any (however fundamental and of whatsoever nature, and whether or not more onerous) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

18.9 Immediate recourse

Each Chargor waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or Security or claim payment from any other person before claiming from any Chargor under this Security Agreement. This waiver applies irrespective of any law or any provision of this Security Agreement to the contrary.

18.10 Deferral of rights

Until the end of the Security Period, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under this Security Agreement:

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from any guarantor of any Obligor's obligations under this Security Agreement;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any right of the Secured Parties under this Security Agreement or of any other guarantee or Security taken pursuant to, or in connection with, this Security Agreement by any Secured Party;

- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Obligor has given a guarantee, undertaking or indemnity under any Finance Document;
- (e) to exercise any right of set-off against any Obligor; or
- (f) to claim or prove as a creditor of any Obligor in competition with any Secured Party.

If any Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution on trust for the Security Agent to the extent necessary to enable all amounts which may be or become payable to any Secured Party by the Obligors under or in connection with this Security Agreement to be repaid in full and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in accordance with Clause 15 (*Application of Moneys*).

19. PRIOR SECURITY INTERESTS

- (a) In the event of any action, proceeding or step being taken to exercise any powers or remedies conferred by any prior ranking Security against any of the Security Assets or in case of exercise by the Security Agent or any Receiver of any power of sale under this Security Agreement, the Security Agent may redeem such prior Security or procure the transfer thereof to itself.
- (b) The Security Agent may settle and agree the accounts of the prior Security and any accounts so settled and agreed will be conclusive and binding on each Chargor.
- (c) All principal moneys, interest, costs, charges and expenses of and incidental to any redemption or transfer will be paid by each Chargor to the Security Agent on demand together with accrued interest thereon as well as before judgment at the rate from time to time applicable to unpaid sums specified in the Amended Facility Agreement from the time or respective times of the same having been paid or incurred until payment thereof (as well as after as before judgment).

20. SUBSEQUENT SECURITY INTERESTS

If the Security Agent acting in its capacity as trustee or otherwise or any of the other Secured Parties at any time receives or is deemed to have received notice of any subsequent Security, assignment, assignation or transfer affecting all the Security Assets or any part of the Security Assets which is prohibited by the terms of any Finance Document, all payments thereafter by or on behalf of that Chargor to the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Parties will (in the absence of any express contrary appropriation by that Chargor) be credited or treated as having been credited to a new account of that Chargor and not as having been applied in reduction of the Secured Obligations at the time that notice was received.

21. SUSPENSE ACCOUNTS

All moneys received, recovered or realised by the Security Agent under this Security Agreement (including the proceeds of any conversion of currency) may in the discretion

of the Security Agent be credited to any interest bearing suspense or impersonal account(s) maintained with a bank, building society, financial institution or other person as it considers appropriate (including itself) for so long as it may think fit (the interest being credited to the relevant account) pending their application from time to time at the Security Agent's discretion, in or towards the discharge of any of the Secured Obligations and save as provided herein no party will be entitled to withdraw any amount at any time standing to the credit of any suspense or impersonal account referred to above.

22. RELEASE OF SECURITY

22.1 Release of Security

Upon the expiry of the Security Period, the Security Agent shall, at the request and cost of each Chargor, release and cancel the security constituted by this Security Agreement and procure the reassignment to the relevant Chargor of the property and assets assigned to the Security Agent pursuant to this Security Agreement, in each case without recourse to, or any representation or warranty by, the Security Agent or any of its nominees.

22.2 Clawback

If any amount paid or credited to any Secured Party is avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of each Chargor under this Security Agreement and the Security constituted by that document will continue and such amount will not be considered to have been irrevocably discharged.

23. SET-OFF

Each Chargor authorises the Security Agent (but the Security Agent shall not be obliged to exercise such right), after the security constituted under this Security Agreement has been enforced in accordance with the terms of this Security Agreement, to set off against the Secured Obligations any amount or other obligation (contingent or otherwise) owing by the Security Agent to each Chargor and apply any credit balance to which each Chargor is entitled on any account with the Security Agent in accordance with Clause 15 (*Application of Moneys*) (notwithstanding any specified maturity of any deposit standing to the credit of any such account).

24. DISCRETION AND DELEGATION

24.1 Discretion

Any liberty or power which may be exercised or any determination which may be made under this Security Agreement by the Security Agent or any Receiver may, subject to the terms and conditions of the Amended Facility Agreement, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

24.2 Delegation

Each of the Security Agent and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Security Agreement (including the power of attorney) on such terms and conditions as

it shall see fit which delegation shall not preclude either the subsequent exercise, any subsequent delegation or any revocation of such power, authority or discretion by the Security Agent or the Receiver itself.

25. **GOVERNING LAW**

This Security Agreement and all non-contractual obligations arising out of or in connection with it are governed by English law.

26. **JURISDICTION**

26.1 **English courts**

The courts of England have exclusive jurisdiction to settle any dispute arising out of, or in connection with this Security Agreement (including a dispute relating to the existence, validity or termination of this Security Agreement or the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Security Agreement) (a "**Dispute**").

26.2 **Convenient Forum**

Each Chargor agrees that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly that it will not argue to the contrary.

26.3 **Exclusive Jurisdiction**

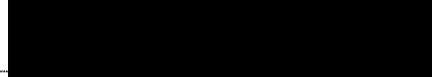
Notwithstanding Clause 26.1 (*English courts*), the Security Agent may take proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law the Security Agent may take concurrent proceedings in any number of jurisdictions.

THIS SECURITY AGREEMENT has been executed as, and is intended to take effect as, a deed by the Chargors and has been signed by the Security Agent on the date written on the first page of this Security Agreement.

EXECUTION PAGE

Chargors

EXECUTED as a DEED by)
YUR MEZZANINE II (UK) LIMITED)



Signature of Director

COUET BRENTU

Name of Director

in the presence of:



Signature of witness

Raphael Bihler

Name of witness

16B Cloudestey Street
Flat I, NIOHU
London

Address of witness

EXECUTED as a DEED by
VUR INVESTMENT (UK) LIMITED

)
)

[Redacted Signature]

Signature of Director

COLEY BRENTAN

Name of Director

in the presence of:

[Redacted Signature]

Signature of witness

Raphael Bihler

Name of witness

16B Cloudestey Street
Flat I, NIOHU
London

Address of witness

EXECUTED as a DEED by

)

VUR VILLAGE HOTELS LIMITED

)

[Redacted Signature]

Signature of Director

COLEY BRENTAN

Name of Director

in the presence of:

[Redacted Signature]

Signature of witness

Raphael Bihler

Name of witness

16B Cloudestey Street,
Flat I, NIOHU,
London

Address of witness

EXECUTED as a DEED by
VUR VILLAGE HOTEL HOLDINGS
LIMITED

)
)
)



Signature of Director

COLEY BRENTU

Name of Director

in the presence of:



Signature of witness

Raphael Bihler

Name of witness

16B Cloudesley Street

Address of witness

Flat I, VI OHU

London

EXECUTED as a DEED by
VUR VILLAGE HOLDINGS NO 2
LIMITED

)
)
)



Signature of Director

COLEY BRENTU

Name of Director

in the presence of:



Signature of witness

Raphael Bihler

Name of witness

16B Cloudesley Street

Address of witness

Flat I, VI OHU,

London

EXECUTED as a DEED by
VUR VILLAGE HOLDINGS NO 3
LIMITED

)
)
)




Signature of Director

COLEY BRENTU

Name of Director

in the presence of:



Raphael Bittler
16B Cloudesley Street
Flat I, NI 044
London

Signature of witness

Name of witness

Address of witness

EXECUTED as a DEED by
VUR VILLAGE PROPERTIES
LIMITED

)
)
)




COLEY BRENTU

Signature of Director

Name of Director

in the presence of:



Raphael Bittler
16B Cloudesley Street
Flat I, NI 044
London

Signature of witness

Name of witness

Address of witness

EXECUTED as a DEED by
VUR VILLAGE TRADING NO 1
LIMITED

)
)
)




COLEY BRENTU

Signature of Director

Name of Director

in the presence of:



Raphael Bittler
16B Cloudesley Street

Signature of witness

Name of witness

Address of witness

Flat I, NIOHU
London

EXECUTED as a DEED by
VUR ST DAVIDS HOTEL LIMITED


)
)


COLET BRENTU

Signature of Director

Name of Director

in the presence of: /


Raphael Bihler
16B Cloudeley Street
Flat I, NIOHU
London

Signature of witness

Name of witness

Address of witness

EXECUTED as a DEED by
VUR SWINDON LIMITED


)
)


COLET BRENTU

Signature of Director

Name of Director

in the presence of: /


Raphael Bihler
16B Cloudeley Street
Flat I, NIOHU
London

Signature of witness

Name of witness

Address of witness

EXECUTED as a DEED by)
VUR VILLAGE HOTELS & LEISURE)
LIMITED)



Signature of Director

COLEY BRENTAU

Name of Director

in the presence of:

Raphael Bihler

Signature of witness

Raphael Bihler

Name of witness

16B Cloudesley Street

Address of witness

Flat I, VI OHU

London

EXECUTED as a DEED by)
VUR VILLAGE TRADING NO 2)
LIMITED)

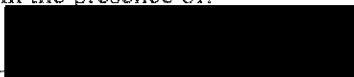


Signature of Director

COLEY BRENTAU

Name of Director

in the presence of:



Signature of witness

Raphael Bihler

Name of witness

16B Cloudesley Street

Address of witness

Flat I, VI OHU

London

Security Agent

EXECUTED as a DEED

by

WELLS FARGO BANK, N.A., LONDON
BRANCH

a company incorporated in South Dakota the
United States of America, acting by

Graham Webster

[print name of authorised signatory]

who, in accordance with the laws of that
territory, is acting under the authority of the
company

)

)

) Signature in the name of company

)

)

) Wells Fargo Bank, N.A.,
London Branch

) (Signature in the name of company)

)

)

[Redacted Signature]

(Signature of Authorised Signatory)

**SCHEDULE 1
CHARGORS**

Company	Jurisdiction of Incorporation	Registered number
VUR Mezzanine II (UK) Limited	England and Wales	09282079
VUR Investment (UK) Limited	England and Wales	09282085
VUR Village Hotels Limited	England and Wales	02695921
VUR Village Hotel Holdings Limited	England and Wales	06448771
VUR Village Holdings No 2 Limited	England and Wales	04108001
VUR Village Holdings No 3 Limited	England and Wales	06448855
VUR Village Properties Limited	England and Wales	06139041
VUR Village Trading No 1 Limited	England and Wales	00418878
VUR St Davids Hotel Limited	England and Wales	02350872
VUR Swindon Limited	England and Wales	06015192
VUR Village Hotels & Leisure Limited	England and Wales	06126416
VUR Village Trading No 2 Limited	England and Wales	06448782

**SCHEDULE 2
REAL PROPERTY**

**PART A
ORIGINAL REAL PROPERTY**

	Owner	Property	Property address	Title number
1A	VUR Village Hotels & Leisure Limited	Ashton	Village Hotel, Pamir Drive, Ashton-Under-Lyne OL7 0LY	MAN64683
1B	VUR Village Trading No. 1 Limited	Ashton	Village Hotel, Pamir Drive, Ashton-Under-Lyne OL7 0LY	MAN169921
2A	VUR Village Properties Limited	Bournemouth	The Village Hotel, Deansleigh Road, Bournemouth BH7 7DZ	DT308484, DT350154 and DT350155
2B	VUR Village Trading No. 1 Limited	Bournemouth	The Village Hotel, Deansleigh Road, Bournemouth BH7 7DZ (NB only the land comprised in "Freehold A" demised)	DT360123
3A	VUR Village Properties Limited	Bury	The Village Hotel, Waterfold Park, Bury BL9 7BQ	GM856290
3B	VUR Village Trading No. 1 Limited	Bury	Village Hotel, Waterfold Park, Bury BL9 7BQ	MAN111148
4A	VUR Village Properties Limited	Cardiff	The Village Hotel, Land on the west side of Pendwyallt Road, Cardiff CF14 9YP	WA793604
4B	VUR Village Trading No. 1 Limited	Cardiff	The Village Hotel, 29 Pendwyallt Road, Cardiff CF14 7EF	CYM387615
5A	VUR Village Properties Limited	Cheadle	Village Hotel, Cheadle Road, Cheadle SK8 1HW	GM524801
5B	VUR Village Trading No. 1 Limited	Cheadle	The Village Hotel, Cheadle Road, Cheadle SK8 1HW	MAN110955

	Owner	Property	Property address	Title number
6A	VUR Village Properties Limited	Coventry	The Village Hotel & Leisure Club, Dolomite Lane, Coventry Business Park, Coventry CV4 9GZ	WM746242
6B	VUR Village Trading No. 1 Limited	Coventry	The Village Hotel & Leisure Club, Dolomite Lane, Coventry Business Park, Coventry CV4 9GZ	WM925346
7A	VUR Village Properties Limited	Dudley	(a) The Village Hotel, Castlegate Drive, Dudley DY1 4TB (b) Village Hotel & Leisure Club, Castlegate Drive, Dudley (c) The Village Hotel, Castlegate Drive, Dudley	(a) WM758740 (b) WM642786 (c) WM765665
7B	VUR Village Trading No. 1 Limited	Dudley	The Village Hotel, Castlegate Drive, Dudley DY1 4TB	WM931286
8A	VUR Village Hotels & Leisure Limited	Elstree	Village Hotel, Centennial Avenue, Centennial Park, Elstree, Borehamwood WD6 3SB	HD472025
8B	VUR Village Trading No. 1 Limited	Elstree	Village Hotel, Centennial Avenue, Centennial Park, Elstree, Borehamwood WD6 3SB	HD505865
9A	VUR Village Hotels & Leisure Limited	Farnborough	Village Hotel, Pinehurst Road, Farnborough GU14 7BF	HP698501
9B	VUR Village Trading No. 1 Limited	Farnborough	Village Hotel, Pinehurst Road, Farnborough GU14 7BF	HP733680
10A	VUR Village Properties Limited	Herons Reach (Blackpool)	De Vere Hotel, East Park Drive, Blackpool FY3 8LL	LA734105

	Owner	Property	Property address	Title number
10B	VUR Village Trading No. 1 Limited	Herons Reach (Blackpool)	De Vere Hotel, East Park Drive, Blackpool FY3 8LL	LAN64828
11A	VUR Village Properties Limited	Hull	Village Hotel, Henry Boot Way, Hull HU4 7DY	HS314509
11B	VUR Village Trading No. 1 Limited	Hull	Village Hotel, Henry Boot Way, Priory Park, Hull HU4 7DY	HS343514
12A	VUR Village Properties Limited	Hyde	Village Hotel & Leisure Club, Captain Clarke Road, Hyde	GM779541
12B	VUR Village Trading No. 1 Limited	Hyde	Land lying to the west of Village Hotel & Leisure Club, Captain Clarke Road, Hyde	GM779548
12C	VUR Village Trading No. 1 Limited	Hyde	Village Hotel & Leisure Club, Captain Clarke Road, Hyde SK14 4QG	MAN110995
13A	VUR Village Properties Limited	Leeds (North)	Village Hotel & Leisure Club, Otley Road, Leeds LS16 5PR	WYK567188 and WYK616340
13B	VUR Village Trading No. 1 Limited	Leeds (North)	Village Hotel & Leisure Club, Otley Road, Leeds LS16 5PR	WYK873298
14A	VUR Village Hotels & Leisure Limited	Leeds (South)	Village Hotel, Capitol Boulevard, Morley, Leeds LS27 0TS	WYK858661
14B	VUR Village Trading No. 1 Limited	Leeds (South)	Village Hotel, Capitol Boulevard, Morley, Leeds LS27 0TS	WYK929745
15A	VUR Village Properties Limited	Liverpool	The Village Hotel, Fallows Way, Whiston L35 1RZ	MS376094, MS264163 and MS188213

	Owner	Property	Property address	Title number
15B	VUR Village Trading No. 1 Limited	Liverpool	The Village Hotel, Fallows Way, Whiston, Prescot, L35 1RZ	MS549818
16A	VUR Village Properties Limited	Maidstone	The Village, Land on the South side of Forstal Road, Sandling, Maidstone	K621940
16B	VUR Village Trading No. 1 Limited	Maidstone	Village Leisure Hotel, Forstal Road, Sandling, Maidstone ME14 3AQ	K936342
17A	VUR Village Properties Limited	Newcastle	10 The Silverlink North, Newcastle upon Tyne NE27 OBY	TY376114
17B	VUR Village Trading No. 1 Limited	Newcastle	The Village Hotel, 10 The Silverlink North, Newcastle NE27 OBY	TY468455
18A	VUR Village Properties Limited	Nottingham	Village Hotel & Leisure Club, Brailsford Way, Chilwell, Beeston, Nottingham NG9 6DL	NT293418
18B	VUR Village Trading No. 1 Limited	Nottingham	Village Hotel & Leisure Club, Brailsford Way, Chilwell, Beeston, Nottingham NG9 6DL	NT442134
19A	VUR Village Properties Limited	St David's Park (Chester)	The Village Hotel, St David's Park Hotel, St David's Park, Ewloe, Deeside CH5 3YB	WA557544
19B	VUR Village Trading No. 1 Limited	St David's Park (Chester)	The Village Hotel, St David's Park Hotel, St David's Park, Ewloe, Deeside CH5 3YB	CYM384432
20A	VUR Village Hotels & Leisure Limited	Solihull	Village Hotel, Shepherds Green Road, Shirley, Solihull B90 4BJ	WM926517
20B	VUR Village Trading No. 1 Limited	Solihull	Village Hotel, Shepherds Green Road, Shirley, Solihull B90 4BJ	WM979615

	Owner	Property	Property address	Title number
21A	VUR Village Hotels & Leisure Limited	Swansea	Village Hotel & Leisure Club, Fabion Way, Langdon Road, Swansea SA1 8QY	CYM217444
21B	VUR Village Trading No. 1 Limited	Swansea	Village Hotel & Leisure Club, Langdon Road, Swansea SA1 8QY	CYM514838
22A	VUR Village Properties Limited	Swindon	De Vere Swindon, Shaw Ridge Leisure Park, Whitehill Way, Swindon SN5 7DW	WT90872
22B	VUR Village Trading No. 1 Limited	Swindon	The De Vere Swindon, Shaw Ridge Leisure Park, Whitehill Way, Swindon SN5 7DW	WT268826
23	VUR Village Trading No. 1 Limited	Walsall	The Village Hotel & Leisure Club, Tempus Drive, Walsall WS2 8TJ	WM846363
24A	VUR Village Properties Limited	Warrington	Village Warrington, 110 Centre Park Square, Warrington WA1 1QA	CH324072
24B	VUR Village Trading No. 1 Limited	Warrington	Village Warrington, 110 Centre Park Square, Warrington WA1 1QA	CH572068
24C	VUR Village Trading No. 1 Limited	Warrington	600 Lakeside Drive, Warrington WA1 1RW (and this includes the right to use 20 car parking spaces)	CH619021
25A	VUR Village Properties Limited	Wirral	Village Leisure Hotel, Pool Lane, Bromborough Pool, Wirral CH62 4UE	MS386278
25B	VUR Village Trading No. 1 Limited	Wirral	Village Leisure Hotel, Pool Lane, Bromborough Pool, Wirral CH62 4UE	MS549982
26A	VUR Village Hotels & Leisure Limited	Portsmouth	Land on the west side of Western Road, Portsmouth	PM27381

PART B
ADDITIONAL REAL PROPERTY

	Owner	Property	Property address	Title number
26B	VUR Village Trading No.1 Limited	Portsmouth	Land on the west side of Western Road, Portsmouth	PM33251
27	VUR Village Properties Limited	Bristol	Land on the south side of Gipsy Patch Lane, Patchway, Bristol	GR418044

**SCHEDULE 3
INSURANCES**

**PART A
NOTICE OF SECURITY: INSURANCES**

To: [Insurer]

Date: []

Dear Sirs,

We give you notice that, by a Security Agreement dated [•] 2018 (the "**Security Agreement**"), we have created security in favour of Wells Fargo Bank, N.A., London Branch (the "**Security Agent**") as trustee for the Secured Parties over all our rights, title and interest in, and to the [describe Insurances including policy number] effected by us or on our behalf in relation to the risk to [describe Property] (including all moneys payable thereunder, proceeds of all claims, awards and judgments) and all other insurances entered into supplemental to or in replacement of such policy of insurance (the "**Policies**").

We will remain liable to perform all our obligations under the Policies and the Security Agent is under no obligation of any kind whatsoever under the Policies nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Policies.

With effect from your receipt of this notice we irrevocably instruct and authorise you to:

1. name the Security Agent as co-insured or composite insured and first loss payee for claims in excess of £500,000 under each of the following insurances:
 - (a) [the Property Damage and Business Interruption policy dated [•] (policy number [•]) (other than any claims in respect of business interruption); and
 - (b) the Terrorism policy dated [•] (policy number [•]); and]
2. disclose to the Security Agent, without further approval from us, such information regarding the Policies as the Security Agent may from time to time request and to send it copies of all notices issued by you under the Policies.

Please note that upon receipt by you of notification from the Security Agent that an "Event of Default" has occurred:

1. all remedies provided for under the Policies or available at law or in equity will be exercisable by the Security Agent; and
2. all rights, title and interest whatsoever accruing to or for the benefit of us arising under the Policies (including all rights to compel performance) will belong to, and are exercisable by or at the direction of, the Security Agent.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales. Would you please confirm your agreement to the above by sending the enclosed acknowledgement to the Security Agent with a copy to us.

Yours faithfully

[insert inapplicable Chargor(s)]

PART B
ACKNOWLEDGEMENT OF NOTICE OF SECURITY

To: Wells Fargo Bank, N.A., London Branch as Security Agent

Date: []

Dear Sirs

We confirm receipt of a notice dated [] of security created by [VUR Mezzanine II (UK) Limited, VUR Investment (UK) Limited, VUR Village Hotels Limited, VUR Village Hotel Holdings Limited, VUR Village Holdings No 2 Limited, VUR Village Holdings No 3 Limited, VUR Village Properties Limited, VUR Village Trading No 1 Limited, VUR St Davids Hotel Limited, VUR Swindon Limited, VUR Village Hotels & Leisure Limited and VUR Village Trading No 2 Limited]¹ (the "**Chargors**") in favour of Wells Fargo Bank, N.A., London Branch (the "**Security Agent**") over all of the Chargors' rights, title and interest in and to the Policies (as specified in that notice) to which we are a party.

We confirm that:

- (a) we will comply with the terms of such notice; and
- (b) we have not received notice of any prior security over, or interest of any third party in, the Policies other than Mount Street Mortgage Servicing Limited or the Security Agent.

We further confirm that:

- 1. no amendment, waiver or release of any such rights, interests and benefits will be effective without the prior written consent of the Security Agent;
- 2. no termination of such rights, title and interest will be effective unless we have given the Security Agent 30 days' written notice of the proposed termination, specifying the action necessary to avoid such termination; and
- 3. each Chargor will remain liable to perform all its obligations under the Policies and the Security Agent is under no obligation of any kind whatsoever under the Policies nor under any liability whatsoever in the event of any failure by a Chargor to perform its obligations under the Policies; and
- 4. no breach or default on the part of a Chargor of any of the terms of such Policies will be deemed to have occurred unless we have given notice of that breach to the Security Agent specifying how to make good that breach.

¹ Delete inapplicable Chargors

5. We confirm that we have made all necessary arrangements for the Security Agent to be named as co-insured and loss payee for claims in excess of £500,000 under each of the following insurances:

- (a) [the Property Damage and Business Interruption policy dated [•] (policy number [•]) (other than any claims in respect of business interruption); and
- (b) the Terrorism policy dated [•] (policy number [•]).]

We have not claimed or exercised, and waive all future rights to claim or exercise, any rights of set-off, lien, counterclaim or other similar right now or in the future relating to the Policy.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales.

Yours faithfully

[Insurer]

cc. [VUR Mezzanine II (UK) Limited, VUR Investment (UK) Limited, VUR Village Hotels Limited, VUR Village Hotel Holdings Limited, VUR Village Holdings No 2 Limited, VUR Village Holdings No 3 Limited, VUR Village Properties Limited, VUR Village Trading No 1 Limited, VUR St Davids Hotel Limited, VUR Swindon Limited, VUR Village Hotels & Leisure Limited and VUR Village Trading No 2 Limited]²

² Delete inapplicable Chargors

**SCHEDULE 4
ACCOUNTS**

**PART A
NOTICE OF SECURITY TO ACCOUNT BANK**

[BLOCKED ACCOUNTS][UNBLOCKED ACCOUNTS][OPERATING ACCOUNT]³

To: Lloyds Banking Group plc

Date: []

Dear Sirs

**Security Agreement dated [•] 2018 between, among others, VUR Investment (UK)
Limited and Wells Fargo Bank, N.A., London Branch (the Security Agreement)**

We give you notice that, by the Security Agreement, we have created security in favour of Wells Fargo Bank, N.A., London Branch (the "**Security Agent**") as trustee for the Secured Parties over any accounts and all moneys (including interest) from time to time standing to the credit of the account[s] listed below (the "**Account[s]**") and the debt or debts represented thereby.

The account[s] maintained with you [is]/[are]:

[Account Name: Debt Service Account
Sort Code: []
Account No: []

Account Name: Proceeds Account
Sort Code: []
Account No: []

Account Name: Cash Trap Account
Sort Code: []
Account No: []⁴

[Account Name: Operating Account
Sort Code: []
Account No: []

[Account Name: Group Collection Account
Sort Code: []
Account No: []

³ Delete as applicable – each Obligor to send a separate notice in respect of its Operating Account

⁴ The blocked accounts

Account Name: FF&E Account
Sort Code: []
Account No: []

Account Name: General Account
Sort Code: []
Account No: []⁵

[With effect from the date of your receipt of this notice:

- (a) all payments and communications in respect of the Account[s] should be made to the Security Agent or to its order (with a copy to us); and
- (b) all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from [each] Account is exercisable by, or at the direction of, the Security Agent.]⁶

We irrevocably instruct and authorise you to disclose to the Security Agent without any reference to or further authority from us and without any inquiry by you as to the justification for such disclosure, such information relating to any accounts maintained with you from time to time as the Security Agent may request you to disclose to it.

[We may operate the Account[s] at any time until such time as the Security Agent has informed you that the security created by the Security Agreement has become enforceable at which point the Security Agent shall be able to operate the Account[s] in its sole discretion and from that point:

- (a) all payments and communications in respect of the Account[s] should be made to the Security Agent or to its order (with a copy to us); and
- (b) all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from [each] Account is exercisable by, or at the direction of, the Security Agent.].]⁷

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales.

⁵ The unblocked accounts

⁶ Include where the notice is in respect of the blocked accounts (i.e. the Cash Trap Account, the Proceeds Account and the Debt Service Account)

⁷ Include where the notice is in respect of the unblocked accounts (i.e. the Group Collection Account, the FF&E Account, the General Account and an Operating Account)

Would you please confirm your agreement to the above by sending the enclosed acknowledgement to the Security Agent with a copy to us.

Yours faithfully

[VUR Investment (UK) Limited as Obligors' Agent]

[Applicable Obligor for notices sent in respect of an Operating Account]

PART B
ACKNOWLEDGEMENT OF SECURITY BY ACCOUNT BANK

[BLOCKED ACCOUNTS][UNBLOCKED ACCOUNTS][OPERATING ACCOUNT]⁸

To: Wells Fargo Bank, N.A., London Branch as Security Agent

Date: []

Dear Sirs

Security Agreement dated [•] 2018 between, among others, VUR Investment (UK) Limited and Wells Fargo Bank, N.A., London Branch (the Security Agreement)

We confirm receipt of a notice of security dated [•] 2018 created by [VUR Investment (UK) Limited]/[*Applicable Obligor for notices sent in respect of an Operating Account*] (the "**Chargor**") in favour of Wells Fargo Bank, N.A., London Branch (the "**Security Agent**") over all moneys (including interest) from time to time standing to the credit of the Chargor's account[s] (as specified in that notice) (the "**Account[s]**") which [is]/[are] maintained with us and the debt or debts represented thereby.

We confirm that we:

- (a) will comply with the terms of that notice;
- (b) have not received notice of any prior security over or interest of any third party in [any of] the Account[s] other than in favour of the Security Agent or Mount Street Mortgage Servicing Limited and that we will not, without the Security Agent's prior written consent, amend or vary any rights attaching to [any of] the Account[s]; and
- (c) [will not permit any amount to be withdrawn from [any]/[the] Account without your prior written consent]⁹ / [will not after we have received notice from you notifying us that the security created by the Security Agreement has become enforceable, permit any amount to be withdrawn from [any]/[the] Account without your prior written consent]¹⁰.

We further confirm that we will, [after we have received notice from you notifying us that the security created by the Security Agreement has become enforceable]¹¹ act only in accordance with the instructions given by persons authorised by the Security Agent and we shall send all statements and other notices given by us relating to [an]/[the] Account to the Security Agent.]

This letter and all non-contractual obligations arising out of or in connection with it are to be governed by and will be construed in accordance with the laws of England and Wales.

⁸ Delete as applicable

⁹ Include where the notice is in respect of the blocked accounts (i.e. the Cash Trap Account, the Proceeds Account and the Debt Service Account)

¹⁰ Include where the notice is in respect of the unblocked accounts (i.e. the Group Collection Account, the FF&E Account, the General Account and an Operating Account)

¹¹ Include where the notice is in respect of the unblocked accounts (i.e. the Group Collection Account, the FF&E Account, the General Account and an Operating Account))

Yours faithfully

Lloyds Banking Group plc

cc. **[VUR Investment (UK) Limited as Obligors' Agent] / [Applicable Obligor for notices sent in respect of an Operating Account]**

SCHEDULE 5
HEDGING AGREEMENTS

PART A
NOTICE OF ASSIGNMENT

To: [Hedge Counterparty]

Date: []

Dear Sirs,

1. We give you notice that by a Security Agreement dated _____ 2018 we have created security by way of equitable assignment in favour of Wells Fargo Bank, N.A., London Branch (the "**Security Agent**") over all our rights, title and interest in and to [*details of relevant Hedging Agreement*] (including all monies payable thereunder (the "**Hedging Agreement**").
2. We shall continue to be solely responsible for the performance of our obligations under or in connection with the Hedging Agreement and the Security Agent is under no obligation of any kind whatsoever under the Hedging Agreement nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Hedging Agreement.
3. Upon notification by the Security Agent that the Security Agreement has become enforceable in accordance with its terms:
 - (a) all payments by you to us under or arising from the Hedging Agreement shall be paid at the direction of the Security Agent, as it may specify in writing from time to time;
 - (b) all remedies provided for in the Hedging Agreement or available at law or in equity shall be exercisable by, or at the direction of, the Security Agent; and
 - (c) all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising under the Hedging Agreements shall be exercisable by, or at the direction of, the Security Agent,
4. Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning it to the Security Agent at [•] marked for the attention of [•].
5. This notice and any non-contractual obligations arising out of or in connection with it are governed by the laws of England and Wales.

Yours faithfully,

For and on behalf of

VUR Investment (UK) Limited

PART B
ACKNOWLEDGEMENT OF ASSIGNMENT

To: Wells Fargo Bank, N.A., London Branch (as "**Security Agent**")
Wells Fargo Bank, N.A., London Branch (as "**Facility Agent**")

Date: []

Dear Sirs

We confirm receipt of a notice dated _____ 2018 of security created by VUR Investment (UK) Limited (the "**Chargor**") in favour of Wells Fargo Bank, N.A., London Branch (the "**Security Agent**") of all the Chargor's rights, title and interest in and to the Hedging Agreement (as specified in that notice).

We confirm that:

- (a) we will comply with the terms of such notice; and
- (b) we have not received notice of any prior security over, or the interest of any third party in, the Hedging Agreement (other than any assignment or charge in favour of the Security Agent).

We further acknowledge that the Chargor will remain liable to perform all its obligations under the Hedging Agreement and the Security Agent is under no obligation of any kind whatsoever under the Hedging Agreement nor under any liability whatsoever in the event of any failure by the Chargor to perform its obligations under the Hedging Agreement.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales.

Yours faithfully

[Hedge Counterparty]

cc. **VUR Investment (UK) Limited**

SCHEDULE 6
FORM OF LETTER FOR OCCUPATIONAL TENANTS

PART A
NOTICE TO OCCUPATIONAL TENANT

[On the letterhead of Chargor]

To: *[Occupational tenant]*

[Date]

Dear Sirs,

Re: *[Name of property]*

Security Agreement dated [•] 2018 between, among others, VUR Investment (UK) Limited and Wells Fargo Bank, N.A., London Branch (the Security Agreement)

We refer to the lease dated [] and made between *[relevant Chargor]* and *[occupational tenant]* (the "**Lease**").

This letter constitutes notice to you that under the Security Agreement we have assigned by way of security to Wells Fargo Bank, N.A., London Branch (the "**Security Agent**") all our rights, title and interest in and to the Lease (including all monies payable thereunder).

We irrevocably instruct and authorise you to pay any rent payable by you under the Lease to our account with the Security Agent at [], Account No. [], Sort Code [] (the "**Operating Account**").

The instructions in this letter apply until you receive notice from the Security Agent to the contrary and notwithstanding any previous instructions given by us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales.

Would you please confirm your agreement to the above by sending the enclosed acknowledgement to the Security Agent with a copy to us.

Yours faithfully,

[insert inapplicable Chargor]

PART B
ACKNOWLEDGEMENT OF OCCUPATIONAL TENANT

To: Wells Fargo Bank, N.A., London Branch (as "**Security Agent**")

Date: []

Dear Sirs

Re: *[Name of property]*

Security Agreement dated [•] 2018 between, among others, VUR Investment (UK) Limited and Wells Fargo Bank, N.A., London Branch (the Security Agreement)

We confirm receipt from [] (the "**Chargor**") of a notice dated [] (the "**Notice**") in relation to the Lease (as defined in the Notice).

We accept the instructions contained in the Notice.

We confirm that we:

- (a) must pay all rent and all other monies payable by us under the Lease into the Operating Account (as defined in the Notice); and
- (b) must continue to pay those moneys into the Operating Account until we receive your written instructions to the contrary.

This letter and all non-contractual obligations arising out of or in connection with it are to be governed by and will be construed in accordance with the laws of England and Wales.

Yours faithfully,

[Occupational tenant]

SCHEDULE 7
INTELLECTUAL PROPERTY RIGHTS

PART A
REGISTERED TRADEMARKS

No.	Chargor	Trade Mark Number	Territory	Class
1.	VUR Village Trading No 1 Limited	1469101	UK	42
2.	VUR Village Trading No 1 Limited	2107918	UK	41
3.	VUR Village Trading No 1 Limited	2107915	UK	41, 42
4.	VUR Village Trading No 1 Limited	2148795	UK	41, 42
5.	VUR Village Trading No 1 Limited	2148788	UK	41, 42
6.	VUR Village Trading No 1 Limited	2186544	UK	43
7.	VUR Village Trading No 1 Limited	2168416	UK	41, 43
8.	VUR Village Trading No 1 Limited	2188410	UK	41, 43
9.	VUR Village Trading No 1 Limited	2241580	UK	41, 43
10.	VUR Village Trading No 1 Limited	2283186	UK	41, 43

No.	Chargor	Trade Mark Number	Territory	Class
11.	VUR Village Trading No 1 Limited	4982021	EUTM	41, 43
12.	VUR Village Trading No 1 Limited	2552568	UK	9, 25, 28, 41, 44
13.	VUR Village Trading No 1 Limited	10411461	EUTM	39, 41, 43, 44, 45
14.	VUR Village Trading No 1 Limited	10725638	EUTM	24, 25, 43
15.	VUR Village Trading No 1 Limited	10726404	EUTM	24, 25, 43
16.	VUR Village Trading No 1 Limited	10726305	EUTM	9, 16, 24, 35, 38, 39, 41, 43, 44
17.	VUR Village Trading No 1 Limited	10726248	EUTM	9, 16, 24, 35, 38, 39, 41, 43, 44
18.	VUR Village Trading No 1 Limited	10726784	EUTM	3, 16, 24, 41, 43, 44
19.	VUR Village Trading No 1 Limited	10726586	EUTM	24, 35, 41, 43, 44
20.	VUR Village Trading No 1 Limited	10726529	EUTM	24, 35, 41, 43, 44
21.	VUR Village Trading No 1 Limited	10751113	EUTM	9, 16, 38
22.	VUR Village Trading No 1 Limited	10751031	EUTM	3, 9, 16, 24, 35, 38, 39, 41, 43, 44

No.	Chargor	Trade Mark Number	Territory	Class
23.	VUR Village Trading No 1 Limited	10751097	EUTM	3, 9, 16, 24, 35, 38, 39, 41, 43, 44
24.	VUR Village Trading No 1 Limited	10751055	EUTM	3, 9, 16, 24, 35, 38, 39, 41, 43, 44
25.	VUR Village Trading No 1 Limited	2615066	UK	16, 35, 43
26.	VUR Village Trading No 1 Limited	2615069	UK	16, 35, 43
27.	VUR Village Trading No 1 Limited	11739836	EUTM	16, 32, 43
28.	VUR Village Trading No 1 Limited	11739811	EUTM	16, 32, 43
29.	VUR Village Trading No 1 Limited	11739851	EUTM	16, 32, 43
30.	VUR Village Trading No 1 Limited	11740362	EUTM	16, 32, 43
31.	VUR Village Trading No 1 Limited	11740214	EUTM	16, 32, 43
32.	VUR Village Trading No 1 Limited	3048669	UK	41, 43
33.	VUR Village Trading No 1 Limited	IR1231158	India	41, 43
34.	VUR Village Trading No 1 Limited	4868809	USA	41, 43

No.	Chargor	Trade Mark Number	Territory	Class
35.	VUR Village Trading No 1 Limited	IR1231158	WIPO	41, 43
36.	VUR Village Trading No 1 Limited	3075445	UK	36, 38
37.	VUR Swindon Limited	14093471	EUTM	35, 43
38.	VUR Village Trading No 1 Limited	3133458	UK	44
39.	VUR Village Trading No 1 Limited	3133466	UK	41, 43, 44
40.	VUR Village Trading No 1 Limited	3133461	UK	41, 43, 44
41.	VUR Village Trading No 1 Limited	3133460	UK	41, 43, 44
42.	VUR Village Trading No 1 Limited	3133469	UK	41, 43, 44
43.	VUR Village Trading No 1 Limited	14764757	EUTM	41, 43, 44
44.	VUR Village Trading No 1 Limited	14764815	EUTM	41, 43, 44
45.	VUR Village Trading No 1 Limited	14764781	EUTM	41, 43, 44
46.	VUR Village Trading No 1 Limited	14764773	EUTM	41, 43, 44

No.	Chargor	Trade Mark Number	Territory	Class
47.	VUR Village Trading No 1 Limited	14764849	EUTM	41, 43, 44
48.	VUR Village Trading No 1 Limited	IR1311076	Antigua & Barbuda	41, 43, 44
49.	VUR Village Trading No 1 Limited	IR1311076	Australia	41, 43, 44
50.	VUR Village Trading No 1 Limited	910956405	Brazil	41
51.	VUR Village Trading No 1 Limited	910956430	Brazil	43
52.	VUR Village Trading No 1 Limited	910956448	Brazil	44
53.	VUR Village Trading No 1 Limited	1779556	Canada	41, 43, 44
54.	VUR Village Trading No 1 Limited	IR1311076	China	41, 43, 44
55.	VUR Village Trading No 1 Limited	IR1311076	Colombia	41, 43, 44
56.	VUR Village Trading No 1 Limited	IR1311076	Iceland	41, 43, 44
57.	VUR Village Trading No 1 Limited	IR1311076	Israel	41, 43, 44
58.	VUR Village Trading No 1 Limited	IR1311076	Mexico	41, 43, 44

No.	Chargor	Trade Mark Number	Territory	Class
59.	VUR Village Trading No 1 Limited	IR1311076	Monaco	41, 43, 44
60.	VUR Village Trading No 1 Limited	IR1311076	Morocco	41, 43, 44
61.	VUR Village Trading No 1 Limited	IR1311076	New Zealand	41, 43, 44
62.	VUR Village Trading No 1 Limited	IR1311076	Norway	41, 43, 44
63.	VUR Village Trading No 1 Limited	IR1311076	Russian Federation	41, 43, 44
64.	VUR Village Trading No 1 Limited	IR1311076	Serbia	41, 43, 44
65.	VUR Village Trading No 1 Limited	IR1311076	Singapore	41, 43, 44
66.	VUR Village Trading No 1 Limited	IR1311076	Switzerland	41, 43, 44
67.	VUR Village Trading No 1 Limited	IR1311076	Turkey	41, 43, 44
68.	VUR Village Trading No 1 Limited	IR1311076	Ukraine	41, 43, 44
69.	VUR Village Trading No 1 Limited	IR1310792 USPTO reg no. 5253190	USA	41, 43, 44
70.	VUR Village Trading No 1 Limited	IR1311076 USPTO reg no. 5253193	USA	41, 43, 44

No.	Chargor	Trade Mark Number	Territory	Class
71.	VUR Village Trading No 1 Limited	IR131068	WIPO (No designations)	41, 43, 44
72.	VUR Village Trading No 1 Limited	IR1310792	WIPO	41, 43, 44
73.	VUR Village Trading No 1 Limited	IR1311076	WIPO	41, 43, 44
74.	VUR Village Trading No 1 Limited	3499409	Argentina	41
75.	VUR Village Trading No 1 Limited	3499410	Argentina	43
76.	VUR Village Trading No 1 Limited	3499411	Argentina	44
77.	VUR Village Trading No 1 Limited	2016/11458	South Africa	41
78.	VUR Village Trading No 1 Limited	2016/11459	South Africa	43
79.	VUR Village Trading No 1 Limited	2016/11460	South Africa	44
80.	VUR Village Trading No 1 Limited	257792	UAE	41
81.	VUR Village Trading No 1 Limited	257793	UAE	43
82.	VUR Village Trading No 1 Limited	257794	UAE	44

PART B

DOMAIN NAMES

The following domain names are owned by VUR Village Trading No. 1 Limited:

1. golf-is-back.co.uk
2. golf-is-back.com
3. villagegym.co.uk
4. VillageCelebrations.co.uk
5. villagehotelclub.co.uk
6. villagehotelclub.com
7. villageredcard.com
8. villageredcard.co.uk
9. vivaurbanspa.co.uk
10. village-healthworks.co.uk
11. village-fit.co.uk
12. villagefit.co.uk
13. benefitsclub.co.uk
14. village-urban-resorts.co.uk
15. village-urbanresorts.co.uk
16. villageurbanresorts.co.uk
17. villagehealthclubs.co.uk
18. thememberbenefits.co.uk
19. DEVERE-INTERNAL.COM
20. DEVERE-INTERNAL.NET
21. village-experience.uk
22. victoryfootie.uk
23. village-experience.co.uk
24. village-experience.com

25. village-leisure.co.uk
26. vfestiveface.com
27. heronsreachgolfresort.co.uk
28. villagepartytime.com
29. village-events.co.uk
30. perfectfitatvillage.com
31. irunihide.uk
32. irunihide.com
33. villageweddings.uk
34. villagehotelsonline.uk
35. villageexcellence.uk
36. upperdeckclub.uk
37. village-pub.co.uk
38. villagepartynation.co.uk
39. village-health.com
40. village-health.co.uk
41. village-grill.com
42. village-food.com
43. village-food.co.uk
44. thememberbenefits.com
45. homeofthetributenight.uk
46. homeofthetributeact.uk
47. vivaurbanspa.com
48. village-weddings.com
49. village-jobs.co.uk
50. homeofthetributenight.com
51. irunihide.co.uk

52. vivame.co.uk
53. velocityclub.co.uk
54. villagehealthclubs.uk
55. welcometomore.uk
56. welcometomore.co.uk
57. villagepartytime.uk
58. village-events.uk
59. village-events.com
60. victoryfootie.com
61. victoryfootie.co.uk
62. perfectfitatvillage.uk
63. perfectfitatvillage.co.uk
64. vivame.uk
65. velocityclub.uk
66. heronsreachgolf.uk
67. villageleisureclubs.uk
68. village-hotels.uk
69. Village-hotelgroup.uk
70. Villagehotelgroup.uk
71. vhospitalitygroup.uk
72. benefitsclub.uk
73. vivaurbanspa.uk
74. village-weddings.uk
75. village-urban-resorts.uk
76. village-urbanresorts.uk
77. villageurbanresorts.uk
78. village-hub.uk

79. village-healthworks.uk
80. village-health.uk
81. village-fit.uk
82. villagefit.uk
83. village-excellence.uk
84. village-business.uk
85. velocitycard.uk
86. thememberbenefits.uk
87. thegreatbritishbreak.uk
88. great-british-breaks.uk
89. village-weddings.co.uk
90. village-urban-resorts.com
91. village-urbanresorts.com
92. villageurbanresorts.com
93. village-recruitment.com
94. village-recruitment.co.uk
95. villagepartytime.co.uk
96. village-jobs.com
97. village-hub.com
98. village-hub.co.uk
99. villagehealthclubs.com
100. village-grill.co.uk
101. village-fit.com
102. village-excellence.com
103. villageexcellence.com
104. village-excellence.co.uk
105. villageexcellence.co.uk

106. village-business.co.uk
107. vfitforlife.com
108. vfitforlife.co.uk
109. velocitycard.co.uk
110. thegreatbritishbreak.com
111. thegreatbritishbreak.co.uk
112. homeofthetributeact.com
113. great-british-breaks.com
114. greatbritishbreaks.com
115. vhappypeople.co.uk
116. vhappypeople.com
117. greatbritishgolfhotels.co.uk
118. greatbritishgolfhotels.com
119. Villageurbanresresorts.com
120. Villageurbanresresorts.co.uk
121. Village-hotelgroup.com
122. Villagehotelgroup.co.uk
123. vhospitalitygroup.co.uk
124. vhospitalitygroup.com
125. vhospitality.co.uk
126. greatbritishhospitality.co.uk
127. greatbritishhospitality.com
128. conferencesandmeetings.co.uk
129. villageweddings.co.uk
130. villageweddings.com
131. villageleisureclubs.co.uk
132. village-hotels.co.uk

- 133. golf-is-back.com
- 134. golf-is-back.co.uk
- 135. golf-is-back.com
- 136. villagehotelsonline.co.uk
- 137. villagehotelsonline.co.uk
- 138. villagehotelsonline.co.uk
- 139. village-hotels.com
- 140. village-hotels.com
- 141. village-hotels.com