

MR01

Particulars of a charge

130 893/12

A fee is payable with this form.
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online
Please go to www.companieshouse.gov.uk

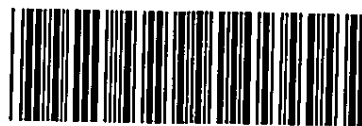
☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

☒ **What this form is NOT for**
You may not use this form to
register a charge where there is no
instrument Use form MR08

For further information, please
refer to our guidance at
www.companieshouse.gov.uk

This form **must be delivered to the Registrar for registration within
21 days** beginning with the day after the date of creation of the charge.
If the form is delivered outside of the 21 days it will be rejected unless it is accompanied by a
court order extending the time for delivery

☒ You **must** enclose a certified copy of the instrument with this form
scanned and placed on the public record **Do not send the original**



LD2 *L3B8LS1V* 01/07/2014 #1

COMPANIES HOUSE

1 Company details

Company number 0 5 7 8 8 2 0 1
Company name in full LONDON & REGIONAL (HEALTH CLUBS) LIMITED

3

→ **Filling in this form**
Please complete in typescript or in
bold black capitals
All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 2 7 0 6 2 0 1 4

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name CBRE LOAN SERVICING LIMITED (and its successors in
title and permitted transferees)

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

MR01

Particulars of a charge

4

Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument

Brief description

The Real Property and the Intellectual Property specified in the instrument

For more details please refer to the instrument.

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"

Please limit the description to the available space

5

Other charge or fixed security

Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☒ Yes

☐ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☒ Yes Continue

☐ No Go to Section 7

Is the floating charge expressed to cover all the property and undertaking of the company?

☒ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ Yes

☐ No

8

Trustee statement ①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

① This statement may be filed after the registration of the charge (use form MR06)

9

Signature

Please sign the form here

Signature

Signature

X L.L. Waters LLP

X

This form must be signed by a person with an interest in the charge

MR01

Particulars of a charge . .

**Presenter information**

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record

Contact name **MATTHEW HEARN**Company name
LINKLATERS LLPAddress **ONE SILK STREET***Please return
via
CH London Courier*

Post town

County/Region **LONDON**Postcode

E	C	2	Y		8	H	Q
---	---	---	---	--	---	---	---

Country **UNITED KINGDOM**DX **10 CDE**Telephone **02074562000****Certificate**

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank

**Checklist**

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following.

- ☒ The company name and number match the information held on the public Register
- ☒ You have included a certified copy of the instrument with this form
- ☒ You have entered the date on which the charge was created
- ☒ You have shown the names of persons entitled to the charge
- ☒ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☒ You have given a description in Section 4, if appropriate
- ☒ You have signed the form
- ☒ You have enclosed the correct fee
- ☒ Please do not send the original instrument, it must be a certified copy

**Important information**

Please note that all information on this form will appear on the public record

**How to pay**

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper

Make cheques or postal orders payable to 'Companies House'

**Where to send**

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below.

For companies registered in England and Wales.

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1

**Further information**

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 5788201

Charge code: 0578 8201 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 27th June 2014 and created by LONDON & REGIONAL (HEALTH CLUBS) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 1st July 2014

Given at Companies House, Cardiff on 4th July 2014



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

Certified that, save for material redacted
pursuant to section 859G of the Companies
Act 2006, this copy instrument is a
Correct copy of the original instrument.
Linklaters LLP

Execution Version

FIXED AND FLOATING SECURITY DOCUMENT

dated 27 June 2014

created by

THE COMPANIES LISTED IN SCHEDULE 1

in favour of

CBRE LOAN SERVICING LIMITED
acting as Security Trustee

Linklaters

Ref L-225782

Linklaters LLP

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THIS DEED is dated 27 June 2014 and made between

- (1) THE COMPANIES listed in Schedule 1 as the chargors (the "**Chargors**"), and
- (2) CBRE LOAN SERVICING LIMITED (the "**Security Trustee**", which expression includes its successors and assigns, as security trustee for the benefit of the Finance Parties)

BACKGROUND

- (A) Each Chargor is entering into this Deed in connection with the Finance Documents
- (B) The Board of Directors of each Chargor is satisfied that entering into this Deed is for the purposes and to the benefit of each Chargor and its business
- (C) The Security Trustee and each Chargor intend this document to take effect as a deed (even though the Security Trustee only executes it under hand)
- (D) The Security Trustee holds the benefit of this Deed on trust for the Finance Parties on the terms of the Finance Documents

IT IS AGREED as follows

1 INTERPRETATION

1.1 Definitions

In this Deed, unless a contrary indication appears, terms used in the Facility Agreement have the same meanings and construction and

"Administrator" means an administrator appointed under Schedule B1 to the Insolvency Act 1986

"Assigned Contract" means any agreement assigned, or expressed to be assigned, to the Security Trustee pursuant to Clause 3.2 (*Assignments*)

"Bank Accounts" means the Accounts and, in relation to each Chargor, all its rights, title and interest from time to time in and to all current, deposit or other accounts with any bank or financial institution in which it now or in the future has an interest and (to the extent of its interest) all balances now or in the future standing to the credit of or accrued or accruing on those accounts

"Book Debts" of a Chargor means all book and other debts of any nature, and all other rights to receive money (excluding Bank Accounts), now or in the future due, owing or payable to it and the benefit of all related negotiable instruments, rights, Security, guarantees and indemnities of any kind

"Charged Assets" means all the assets from time to time subject, or expressed to be subject, to the Charges or any part of those assets

"Charges" means all or any of the Security created or expressed to be created by or pursuant to this Deed

"Currency of Account" means the currency in which the relevant indebtedness is denominated or, if different, is payable

"Delegate" means a delegate or sub-delegate appointed under Clause 16.2 (*Delegation*)

"Event of Default" shall have the meaning given to it in the Facility Agreement

"Facility Agreement" means the facility agreement dated 12 June 2014 between the (amongst others) the Borrowers and Original Lenders named in it, M&G Investment Management Limited as Arranger, CBRE Loan Servicing Limited as Agent and Security Trustee and London & Regional (Health Clubs) Limited any agreement, letter or other instrument entered into under or supplemental to it or amending, restating or novating it

"Finance Document" shall have the meaning given to it in the Facility Agreement

"Finance Party" shall have the meaning given to it in the Facility Agreement

"Fixtures" means fixtures, fittings (including trade fixtures and fittings) and fixed plant, machinery and apparatus

"Headlease" has the meaning given to it in the Facility Agreement

"Insolvency Act" means the Insolvency Act 1986

"Insurances" of a Chargor means all contracts and policies of insurance of any kind now or in the future taken out by or on behalf of it or (to the extent of its interest) in which it now or in the future has an interest and all Related Rights

"Intellectual Property" of a Chargor means all patents, designs, copyrights, topographies, trade marks, trading names, rights in confidential information and know-how, and any associated or similar rights, which it now or in the future owns or (to the extent of its interest) in which it now or in the future has an interest and all Related Rights (in each case whether registered or unregistered and including any related licences and sub-licences of the same granted by it or to it, applications and rights to apply for the same)

"Investments" of a Chargor means

- (a) securities and investments of any kind (including shares, stock, debentures, units, depositary receipts, bonds, notes, commercial paper and certificates of deposit),
- (b) warrants, options or other rights to subscribe for, purchase or otherwise acquire securities and investments,
- (c) all rights relating to securities and investments which are deposited with, or registered in the name of, any depositary, custodian, nominee, clearing house or system, investment manager, chargee or other similar person or their nominee, in each case whether or not on a fungible basis (including rights against any such person), and
- (d) all other rights attaching or relating to securities or investments and all cash or other securities or investments in the future deriving from Investments or such rights,

in each case now or in the future owned by it or (to the extent of its interest) in which it now or in the future has an interest and all Related Rights

"Liabilities" of a Chargor means all monies, obligations and liabilities which shall from time to time (and whether on or at any time after any demand or judgment) be due, owing or incurred from any Obligor to the Finance Parties under the Finance Documents whether actually or

contingently and whether solely or jointly with any other person and in whatever style or name and whether as principal or surety except for any obligation or liability which, if it were so included, would cause that obligation or liability or any Security Interest granted in respect of that obligation or liability to be unlawful or prohibited by any applicable law

"LPA" means the Law of Property Act 1925

"Party" means a party to this Deed

"Real Property" means freehold and leasehold property in England and Wales and other real property anywhere in the world (in each case including any estate or interest therein, all rights from time to time attached or relating thereto and all Fixtures from time to time therein or thereon) and all Related Rights

"Receiver" means any one or more receiver or receiver and manager or administrative receiver appointed by the Security Trustee (whether sole, joint and/or several and including any substitute)

"Related Rights" means, in relation to a means, in relation to a Charged Asset

- (a) any proceeds of sale, transfer or other disposal, lease, licence, sub-licence, or agreement for sale, transfer or other disposal, lease, licence or sub-licence, of that Charged Asset,
- (b) any moneys or proceeds paid or payable deriving from that Charged Asset,
- (c) any rights, claims, guarantees, indemnities, Security or covenants for title in relation to that Charged Asset,
- (d) any awards or judgments in favour of the Chargors in relation to that Charged Asset, and
- (e) any other assets deriving from, or relating to, that Charged Asset

"Subordinated Debt Document" means any agreement (including the Deed of Subordination) entered into by a Chargor at any time evidencing any indebtedness or liability or any nature whatsoever owed by a Chargor to any Subordinated Creditor

"Winding-up" means winding up, amalgamation, reconstruction, administration, dissolution, liquidation, merger or consolidation or any analogous procedure or step in any jurisdiction

1 2 Construction

Any reference in this Deed to a "Finance Document" or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended, restated (however fundamentally and whether or not more onerous) or replaced and includes any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under that Finance Document or other agreement or instrument

The other provisions in clause 1 2 (*Construction*) of the Facility Agreement apply to this Deed with all necessary changes

1 3 Third Party Rights

A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed

2 UNDERTAKING TO PAY

2 1 Payment of Liabilities

Each Chargor shall pay each of its Liabilities when due in accordance with its terms or, if they do not specify a time for payment, immediately on demand by the Security Trustee

2 2 Proportionate payment

Each sum appropriated by the Security Trustee in accordance with the Finance Documents in or towards payment of a particular part of the Liabilities shall to the extent of that appropriation discharge each Chargor's obligations in respect of that part of the Liabilities both to any Finance Party to which the same is owed, and to the Security Trustee

3 FIXED CHARGES AND ASSIGNMENTS

3 1 Creation of fixed Charges

Each Chargor, with full title guarantee and as security for the payment of all Liabilities (whether of that or any other Chargor), charges in favour of the Security Trustee (as trustee for the Finance Parties)

- (a) by way of first legal mortgage, all Real Property in England and Wales (including that described in Schedule 3 (*Real Property*)) now belonging to it,
- (b) by way of first fixed equitable charge, all other Real Property now belonging to it and all Real Property acquired by it in the future, and
- (c) by way of first fixed charge, all its present and future right, title and interest in and to
 - (i) Book Debts,
 - (ii) (to the extent that they are not subject to an effective assignment under Clause 3 2 (*Assignments*)) all rights in relation to the Bank Accounts,
 - (iii) Investments (including the shares described in Schedule 4 (*Investments*)),
 - (iv) uncalled capital and goodwill,
 - (v) Intellectual Property,
 - (vi) beneficial interest in any pension fund,
 - (vii) plant and machinery (except that mortgaged or charged by paragraph (a) or (b) above,
 - (viii) rights under any contract or other document relating to or in any way connected with the appointment of any managing agent of any Real Property,
 - (ix) rights any agreement relating to the purchase of Real Property,
 - (x) rights under any agreement for the sale of any Charged Asset,

- (xi) benefit of all present and future Authorisations held in connection with its business or the use of any Charged Asset specified in any other sub-paragraph of this Clause 3.1 and the right to recover and receive all compensation which may be payable in respect of them,
- (xii) interest in the benefit of all guarantees, warranties and representations given or made by any manufacturers, suppliers and installers of any plant, machinery, equipment, fixtures and fittings now or in future on the Real Property and/or by any other person under contract with or under a duty to each Chargor in respect of them,
- (xiii) future easements and other rights at any time vested in, or conferred on, each Chargor in connection with or otherwise for the benefit of the Charged Assets,
- (xiv) (to the extent that they are not subject to an effective assignment under Clause 3.2 (Assignments)) all rights in relation to the Rent,
- (xv) (to the extent that they are not subject to an effective assignment under Clause 3.2 (Assignments)) all rights in relation to the Disposal Proceeds,
- (xvi) (to the extent that they are not subject to an effective assignment under Clause 3.2 (Assignments)) all rights under the Subordinated Debt Documents,
- (xvii) (to the extent that they are not subject to an effective assignment under Clause 3.2 (Assignments)) all rights under each Headlease,
- (xviii) (to the extent that they are not subject to an effective assignment under Clause 3.2 (Assignments)) all rights under each Occupational Lease,
- (xix) (to the extent that they are not subject to an effective assignment under Clause 3.2 (Assignments)) any agreements, contracts and Insurances relating to Real Property, including all moneys payable to that Chargor,
- (xx) (to the extent that they are not subject to an effective assignment under Clause 3.2 (Assignments)) Insurances and all related proceeds, claims of any kind, returns of premium and other benefits

3.2 Assignments

Each Chargor, with full title guarantee and as security for the payment of all Liabilities, assigns to the Security Trustee (as trustee for the Finance Parties) all its present and future right, title and interest in and to

- (a) all Rent,
- (b) all Disposal Proceeds,
- (c) the Subordinated Debt Documents,
- (d) any guarantee of Rent contained in or relating to a Headlease (to the extent such guarantee is capable of being assigned),

- (e) any guarantee of Rent contained in or relating to an Occupational Lease (to the extent such guarantee is capable of being assigned),
- (f) any Bank Account,
- (g) any agreements, contracts (to the extent such contract is capable of being assigned) and Insurances relating to Real Property, including all moneys payable to that Chargor,
- (h) any claims, awards and judgments in favour of that Chargor, under or in connection with any Transaction Documents and any agreements, contracts and Insurances relating to Real Property
- (i) all Insurances and all proceeds in respect of Insurances and all benefits of Insurances (including all claims relating to, and all returns of premium in respect of, Insurances), and
- (j) its Real Property (except those charged by paragraphs (a) and (b) of Clause 3 1 (*Creation of fixed Charges*)), including all rights against all past, present and future undertenants of its Real Property and their respective guarantors and sureties

3 3 Miscellaneous

A reference in this Deed to a Charge of any freehold or leasehold property includes

- (a) all buildings and Fixtures on that property,
- (b) the proceeds of sale of any part of that property, and
- (c) the benefit of any covenants for title given or entered into by any predecessor in title of the relevant Chargor in respect of that property or any moneys paid or payable in respect of those covenants

4 FLOATING CHARGE

4 1 Creation

Each Chargor, with full title guarantee and as security for the payment of all Liabilities (whether of that or any other Chargor), charges in favour of the Security Trustee (as trustee for the Finance Parties) by way of first floating charge its undertaking and all its assets, both present and future (including assets expressed to be charged or assigned by Clause 3 (*Fixed Charges and Assignments*))

4 2 Qualifying Floating Charge

- (a) The floating Charge created by the Chargor pursuant to Clause 4 1 above (*Creation*) is a "qualifying floating charge" for the purposes of paragraph 14 2(a) of Schedule B1 to the Insolvency Act
- (b) Paragraph 14 of Schedule B1 to the Insolvency Act shall apply to this Deed

4 3 Ranking

The floating Charge created by each Chargor ranks

- (a) behind all the fixed Charges created by each Chargor, but

- (b) in priority to any other Security over the Charged Assets of that Chargor except for Security ranking in priority in accordance with paragraph (f) of Schedule 2 (*Rights of Receivers*)

4 4 Conversion by notice

The Security Trustee may convert any floating Charge into a fixed Charge (either generally or specifically) by notice to the relevant Chargor specifying the relevant Charged Assets

- (a) if it considers it desirable to do so in order to protect or preserve the Charges over those Charged Assets and/or the priority of those Charges, and/or
- (b) while an Event of Default is continuing

4 5 Automatic conversion

If

- (a) any Chargor takes any step to create any Security in breach of Clause 5 1 (*Security*) over any of the Charged Assets not subject to a fixed Charge, or
- (b) any person takes any step to effect any expropriation, attachment, sequestration, distress or execution against any of those Charged Assets,

the floating Charge over the relevant Charged Assets shall automatically and immediately be converted into a fixed Charge

5 RESTRICTIONS AND FURTHER ASSURANCE

5 1 Security

No Chargor shall create or permit to subsist any Security over the Charged Assets, nor do anything else prohibited by clause 21 3 (*Negative pledge*) of the Facility Agreement, except as permitted by that clause

5 2 Disposal

No Chargor shall (nor shall any Chargor agree to) enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, transfer or otherwise dispose of the Charged Assets except as permitted by clause 20 4 (*Disposals*) of the Facility Agreement

5 3 Further assurance

Each Chargor shall promptly do whatever the Security Trustee requires

- (a) to perfect or protect the Charges or the priority of the Charges, or
- (b) to facilitate the realisation of the Charged Assets or the exercise of any rights vested in the Security Trustee or any Receiver,

including executing any transfer, conveyance, disposition, standard security, charge, assignment, assignation or assurance of the Charged Assets (whether to the Security Trustee or its nominees or otherwise) as the Security Trustee may determine to be necessary (acting reasonably), making any registration and if a Default is continuing giving any notice, order or direction

6 REAL PROPERTY

6 1 Acquisition

Each Chargor shall promptly notify the Security Trustee of its acquisition of, or agreement to acquire, any Real Property

6 2 Documents

Each Chargor shall deposit with the Security Trustee, and the Security Trustee shall be entitled to hold, all title deeds and documents relating to that Chargor's present and future Real Property

6 3 Existing Real Property

In the case of a Chargor's existing Real Property in England and Wales, that Chargor shall

- (a) promptly apply to the Land Registry for first registration of that Real Property (where that Real Property is not already registered at the Land Registry) and registration of that Chargor as proprietor of that Real Property,
- (b) promptly apply to the Land Registry to register the first legal mortgage created by paragraph (a) of Clause 3 1 (*Creation of fixed Charges*) and notice of all other Charges,
- (c) promptly submit to the Land Registry the duly completed Form RX1 requesting a restriction in the form specified by the Security Trustee to be entered on the register of the title to that Real Property in respect of the Charge created by paragraph (a) of Clause 3 1 (*Creation of fixed Charges*), and
- (d) promptly pay all appropriate registration fees,

or, if the Security Trustee gives notice to that Chargor that the Security Trustee will submit the relevant forms to the Land Registry, that Chargor shall promptly provide the Security Trustee with all duly completed forms reasonably requested by the Security Trustee and all appropriate registration fees

6 4 Future Real Property

In the case of a Chargor's future Real Property in England and Wales, that Chargor shall

- (a) promptly apply to the Land Registry for first registration of the title to that Real Property (where that Real Property is not already registered at the Land Registry) and registration of that Chargor as proprietor of that Real Property,
- (b) promptly apply to the Land Registry to register the first fixed equitable charge created by paragraph (b) of Clause 3 1 (*Creation of fixed Charges*),
- (c) promptly apply to the Land Registry requesting a restriction in the form specified by the Security Trustee to be entered on the register of the title to that Real Property in respect of the Charge created by paragraph (b) of Clause 3 1 (*Creation of fixed Charges*), and
- (d) promptly pay all appropriate registration fees,

or, if the Security Trustee gives notice to that Chargor that the Security Trustee will submit the relevant forms to the Land Registry, that Chargor shall promptly provide the Security Trustee with all duly completed forms reasonably requested by the Security Trustee and all appropriate registration fees

6 5 Unregistered Real Property

In the case of a Chargor's Real Property in England and Wales, both present and future, which is not registered at the Land Registry and is not required to be so registered, that Chargor will promptly apply to register this Deed and the Charges at the Land Charges Registry if the title deeds and documents are not deposited with the Security Trustee

6 6 Title Information Document

On completion of the registration of any Charge pursuant to this Clause 6, the relevant Chargor shall promptly supply to the Security Trustee a certified copy of the relevant Title Information Document issued by the Land Registry

6 7 Notice of assignment

Each Chargor shall on the date of this Deed give notice of the assignments in paragraph (i) of Clause 3 2 (*Assignments*) in the form set out in Schedule 5 (*Form of Notice of Assignment to Occupational Tenants*) and shall use reasonable endeavours to ensure that each recipient of any notice promptly signs and returns the relevant form of acknowledgment

7 BOOK DEBTS

7 1 Collection

Each Chargor shall promptly collect all Book Debts and shall hold the proceeds of collection on trust for the Finance Parties

7 2 Payment into designated Bank Account(s)

Each Chargor shall immediately pay all moneys received or receivable by it from any source (including all proceeds of collection of Book Debts) into a Bank Account (or, if one or more Bank Accounts have been designated for this purpose by the Security Trustee, the relevant Bank Account(s)) The Security Trustee may designate different Bank Accounts for different moneys

7 3 Restrictions on dealing with Book Debts

Without prejudice and in addition to Clauses 5 1 (*Security*), 5 2 (*Disposal*) and 5 3 (*Further assurance*)

- (a) except for the Charges, no Chargor shall create or permit to subsist any Security over, nor do anything else prohibited by clause 20 3 (*Negative pledge*) of the Facility Agreement in respect of, all or any part of any of its Book Debts, and
- (b) except as required by Clause 5 3 (*Further assurance*), no Chargor shall enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, factor, transfer or otherwise dispose of all or any part of any of its Book Debts

7 4 Documents

Each Chargor shall promptly execute and/or deliver to the Security Trustee such documents relating to such of its Book Debts as the Security Trustee requires

8 BANK ACCOUNTS

8 1 Restriction on Bank Accounts

No Chargor shall have any Bank Accounts other than those from time to time designated by the Security Trustee in accordance with the Facility Agreement or as consented to in writing by the Agent

8 2 Withdrawals

(a) No Chargor shall make any withdrawal from any Bank Account except in accordance with Clause 12 (*Bank Accounts*) of the Facility Agreement

(b) If an amount is withdrawn from a Bank Account as permitted by Clause 12 (*Bank Accounts*) of the Facility Agreement, that amount shall be automatically released from the fixed Charge on that Bank Account on that withdrawal being made. However, if all or part of that amount is paid into another Bank Account which is in credit or becomes in credit as a result, it shall automatically become subject to the fixed Charge on that Bank Account

8 3 Restrictions on dealing with Bank Accounts

Without prejudice and in addition to Clauses 5 1 (*Security*), 5 2 (*Disposal*) and 5 3 (*Further assurance*)

(a) except for the Charges, no Chargor shall create or have outstanding any Security over, nor do anything else prohibited by clause 20 3 (*Negative pledge*) of the Facility Agreement in respect of, all or any part of any of its Bank Accounts, and

(b) except as required by Clause 5 3 (*Further assurance*), no Chargor shall enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to transfer, assign or otherwise dispose of all or any part of any of its Bank Accounts

8 4 Documents

Each Chargor shall promptly execute and/or deliver to the Security Trustee such documents relating to such of its Bank Accounts as the Security Trustee requires (acting reasonably, unless a Default is continuing), including any notice to the relevant bank or financial institution of the Charges over them

8 5 Notice of assignment

Each Chargor shall on the date of this Deed give notice of the assignments in paragraph (c) of Clause 3 2 (*Assignments*) substantially in the form set out in Schedule 6 (*Form of Notice of Assignment of Bank Accounts*) and shall use its reasonable endeavours to ensure that each recipient of any notice promptly signs and returns the relevant form of acknowledgement

9 INVESTMENTS

9 1 Documents

Each Chargor shall

(a) except to the extent the Security Trustee notifies that Chargor from time to time to the contrary, deposit with the Security Trustee, or as it directs, all certificates representing its Investments, and

- (b) execute and/or deliver to the Security Trustee such other documents relating to its Investments, including transfers of Investments executed in blank, as the Security Trustee requires

9 2 Voting before enforcement

Subject to Clause 9 3 (*Voting after enforcement*), each Chargor shall be entitled to exercise or direct the exercise of the voting and other rights attached to any Investment as it sees fit provided that

- (a) it does so for a purpose not inconsistent with any Finance Document, and
- (b) the exercise of or failure to exercise those rights would not have an adverse effect on the value of the relevant Investment or the Charged Assets and would not otherwise prejudice the interests of any Finance Party under any Finance Document

9 3 Voting after enforcement

At any time while an Event of Default is continuing

- (a) the Security Trustee or the Receiver shall be entitled to exercise or direct the exercise of the voting and other rights attached to any Investment in such manner as it or he sees fit, and
- (b) each Chargor shall comply or procure the compliance with any directions of the Security Trustee or the Receiver in respect of the exercise of those rights and shall promptly execute and/or deliver to the Security Trustee or the Receiver such forms of proxy as it or he requires with a view to enabling such person as it or he selects to exercise those rights

9 4 Power of attorney

If any Investment of a Chargor is not held in that Chargor's name, that Chargor shall promptly deliver to the Security Trustee an irrevocable power of attorney, expressed to be given by way of security and executed as a deed by the person in whose name that Investment is held. That power of attorney shall appoint the Security Trustee, each Receiver and each Delegate, as the attorney of the holder and shall be in such form as the Security Trustee requires

9 5 Communications

Each Chargor shall promptly execute and/or deliver to the Security Trustee a copy of each circular, notice, report, set of accounts or other document received by it or its nominee in connection with any Investment, as the Security Trustee requires

10 INSURANCE

10 1 Documents

Each Chargor shall promptly

- (a) execute and/or deliver to the Security Trustee a copy of such insurance policies effected by it and the related premium receipts, and of such other documents relating to the Insurances, as the Security Trustee requires, and
- (b) procure that the fixed Charges over its Insurances are noted on the relevant policies

10 2 Maintenance

Each Chargor shall maintain such Insurances in respect of its Charged Assets, in respect of such risks as are normally maintained by prudent companies carrying on similar businesses in accordance with the provisions of Clause 21 10 (*Insurances*) of the Facility Agreement. If the Security Trustee so requires, those Insurances (and any other insurances in respect of such risks as the Security Trustee reasonably requires) shall be maintained with such insurers, in such amounts and on such terms as the Security Trustee reasonably requires.

10 3 Enforceability

No Chargor shall do or omit to do or permit to be done or omitted anything which might render any such Insurance void, voidable or unenforceable.

10 4 Security Trustee may insure

If any Chargor fails on demand to produce copies of insurance policies, premium receipts and such other evidence as the Security Trustee requires which prove to the satisfaction of the Security Trustee that that Chargor is complying with Clause 10 2 (*Maintenance*), the Security Trustee may (at that Chargor's expense) arrange such insurances of the assets of that Chargor or any of them as it thinks fit.

10 5 Notice of Assignment

Each Chargor shall on the date of this Deed give notice of the assignments in Clause 3 2 (*Assignments*) substantially in the form set out in Schedule 6 (*Form of Notice of Assignment of Insurances*) and shall use reasonable endeavours to ensure that each recipient of any notice promptly signs and returns the relevant form of acknowledgement.

11 ASSIGNED CONTRACTS

11 1 Documents

Each Chargor shall on the date of this Deed deliver to the Security Trustee executed originals of all Assigned Contracts as requested by a Finance Party, and shall promptly deliver such other documents relating to the Assigned Contracts as the Security Trustee requires (acting reasonably, unless a Default is continuing).

11 2 Notice of Assignment

Each Chargor shall upon the request of the Security Trustee give notice of the assignments in Clause 3 2 (*Assignments*) substantially in the form set out in Schedule 7 (*Form of Notice of Assignment of Assigned Contracts*) and shall use reasonable endeavours to ensure that each recipient of any notice promptly signs and returns the form of acknowledgement requested under that notice.

11 3 Chargor Still Liable

Each Chargor shall remain liable to perform all its obligations under the Assigned Contracts. Neither the Security Trustee nor any Delegate shall be under any obligation or liability to the Chargor or any other person under or in respect of any Assigned Contract.

11 4 Breach

Each Chargor shall notify the Security Trustee of

- (a) any breach of or default under an Assigned Contract by it or any other party, and
 - (b) any right of it or any other party arising to terminate or rescind an Assigned Contract,
- promptly on becoming aware of the same

11 5 Information

The relevant Chargor shall promptly provide the Security Trustee with any information it requires (acting reasonably, unless a Default is continuing) in relation to any Assigned Contract

12 GENERAL UNDERTAKINGS

12 1 Access

Each Chargor shall ensure that representatives of the Security Trustee (with or without surveyors, workmen and others) are able at all reasonable times to view the condition of any of its Charged Assets on request of the Security Trustee (acting reasonably, unless a Default is continuing)

12 2 No other prejudicial conduct

No Chargor shall do, or permit to be done, anything which could prejudice the Charges

13 REPRESENTATIONS AND WARRANTIES

Each Chargor

- (a) makes the representations and warranties set out in clause 17 (*Representations*) of the Facility Agreement to the Security Trustee and made by it under that Clause on the date of this Deed, and
- (b) represents and warrants to the Security Trustee that the assets listed in Schedule 3 (*Real Property*) in respect of that Chargor are all of the relevant class of assets in which it has an interest

14 ENFORCEMENT

14 1 When enforceable

As between the Chargors and the Security Trustee the Charges shall be enforceable, and the powers conferred by Section 101 of the LPA as varied and extended by this Deed shall be exercisable, while an Event of Default is continuing

14 2 Power of sale

The statutory power of sale, of appointing a Receiver and the other statutory powers conferred on mortgagees by Section 101 of the LPA as varied and extended by this Deed shall arise on the date of this Deed

14 3 Section 103 LPA

Section 103 of the LPA shall not apply to this Deed

15 APPOINTMENT AND RIGHTS OF RECEIVERS

15 1 Appointment of receivers

If

- (a) requested by any Chargor,
- (b) any corporate action, legal proceedings or other procedure or step is taken in relation to the administration of any Chargor, or
- (c) any other Event of Default is continuing (whether or not the Security Trustee has taken possession of the Charged Assets),

without any notice or further notice, the Security Trustee may, by deed, or otherwise in writing signed by any officer or manager of the Security Trustee or any person authorised for this purpose by the Security Trustee, appoint one or more persons to be a Receiver. The Security Trustee may similarly remove any Receiver and appoint any person instead of any Receiver. If the Security Trustee appoints more than one person as Receiver, the Security Trustee may give those persons power to act either jointly or severally.

15.2 Scope of appointment

Any Receiver may be appointed Receiver of all of the Charged Assets or Receiver of a part of the Charged Assets specified in the appointment. In the latter case, the rights conferred on a Receiver as set out in Schedule 2 (*Rights of Receivers*) shall have effect as though every reference in that Schedule to any Charged Assets were a reference to the part of those assets so specified or any part of those assets.

15.3 Rights of Receivers

Any Receiver appointed pursuant to this Clause 15 shall have the rights, powers, privileges and immunities conferred by the Insolvency Act on administrative or other receivers duly appointed under the Insolvency Act, and shall also have the rights set out in Schedule 2 (*Rights of Receivers*).

15.4 Agent of Chargor

Any Receiver shall be the agent of the relevant Chargor for all purposes. That Chargor alone shall be responsible for the Receiver's contracts, engagements, acts, omissions, defaults and losses and for liabilities incurred by the Receiver.

15.5 Remuneration

The Security Trustee may determine the remuneration of any Receiver and direct payment of that remuneration out of moneys he receives as Receiver. The relevant Chargor alone shall be liable for the remuneration and all other costs, losses, liabilities and expenses of the Receiver.

16 SECURITY TRUSTEE'S RIGHTS

16.1 Same rights as Receiver

Any rights conferred by any Finance Document upon a Receiver may be exercised by the Security Trustee, or to the extent permitted by law, an Administrator after the Charges become enforceable, whether or not the Security Trustee shall have taken possession or appointed a Receiver of the Charged Assets.

16 2 Delegation

The Security Trustee may delegate in any manner to any person any rights exercisable by the Security Trustee under any Finance Document. Any such delegation may be made upon such terms and conditions (including power to sub-delegate) as the Security Trustee thinks fit.

17 ORDER OF DISTRIBUTIONS

17 1 Application of proceeds

All amounts received or recovered by the Security Trustee or any Receiver or Delegate in exercise of their rights under this Deed shall, subject to the rights of any creditors having priority, be applied in the order provided in Clause 17 2 (*Order of distributions*).

17 2 Order of distributions

The order referred to in Clause 17 1 (*Application of proceeds*) is

- (a) in or towards the payment of all costs, losses, liabilities and expenses of and incidental to the appointment of any Receiver or Delegate and the exercise of any of his rights, including his remuneration and all outgoings paid by him,
- (b) in or towards the payment of the Liabilities in accordance with clause 29 7 (*Application of receipts*) of the Facility Agreement, and
- (c) in payment of any surplus to any Chargor or other person entitled to it

18 LIABILITY OF THE SECURITY TRUSTEE, RECEIVERS AND DELEGATES

18 1 Possession

If the Security Trustee, any Receiver or any Delegate takes possession of the Charged Assets, it or he may at any time relinquish possession. Without prejudice to Clause 18 2 (*Security Trustee's liability*), the Security Trustee shall not be liable as a mortgagee in possession by reason of viewing or repairing any of the present or future assets of any Chargor.

18 2 Security Trustee's liability

Neither the Security Trustee nor any Receiver or Delegate shall (either by reason of taking possession of the Charged Assets or for any other reason and whether as mortgagee in possession or otherwise) be liable to any Chargor, any Finance Party or any other person for any costs, losses, liabilities or expenses relating to the realisation of any Charged Assets or from any act, default or omission of the Security Trustee, any Receiver, any Delegate or their respective officers, employees or agents in relation to the Charged Assets or in connection with the Finance Documents except to the extent caused by its or his own gross negligence or wilful misconduct.

19 POWER OF ATTORNEY

19 1 Appointment

Each Chargor by way of security irrevocably appoints the Security Trustee, every Receiver and every Delegate severally its attorney (with full power of substitution), on its behalf and in its name or otherwise, at such time and in such manner as the attorney thinks fit.

- (a) to do anything which that Chargor is obliged to do (but has not done) under any Finance Document to which it is party (including to execute charges over, transfers, conveyances, assignments and assurances of, and other instruments, notices, orders and directions relating to, the Charged Assets), and
- (b) to exercise any of the rights conferred on the Security Trustee, any Receiver or any Delegate in relation to the Charged Assets or under any Finance Document, the LPA or the Insolvency Act

19 2 Ratification

Each Chargor ratifies and confirms and agrees to ratify and confirm whatever any such attorney shall do in the exercise or purported exercise of the power of attorney granted by it in Clause 19 1 (*Appointment*)

20 PROTECTION OF THIRD PARTIES

20 1 No duty to enquire

No person dealing with the Security Trustee, any other Finance Party, any Receiver or any Delegate shall be concerned to enquire

- (a) whether the rights conferred by or pursuant to any Finance Document are exercisable,
- (b) whether any consents, regulations, restrictions or directions relating to such rights have been obtained or complied with,
- (c) otherwise as to the propriety or regularity of acts purporting or intended to be in exercise of any such rights, or
- (d) as to the application of any money borrowed or raised

20 2 Protection to purchasers

All the protection to purchasers contained in Sections 104 and 107 of the LPA, Section 42(3) of the Insolvency Act or in any other applicable legislation shall apply to any person purchasing from or dealing with the Security Trustee, any other Finance Party, any Receiver or any Delegate

21 SAVING PROVISIONS

21 1 Continuing Security

Subject to Clause 22 (*Discharge of Security*), the Charges are continuing Security and will extend to the ultimate balance of the Liabilities, regardless of any intermediate payment or discharge in whole or in part

21 2 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made by a Finance Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation or otherwise, without limitation, the liability of each Chargor and the Charges shall continue or be reinstated as if the discharge, release or arrangement had not occurred

21.3 Waiver of defences

Neither the obligations of each Chargor under this Deed nor the Charges will be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under any Finance Document of any of the Charges (without limitation and whether or not known to it or any Finance Party) including

- (a) any time, waiver or consent granted to, or composition with any Chargor, any Obligor or other person,
- (b) the release of any Chargor, any Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group,
- (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 Chargor, 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 Chargor, any Obligor or any other person,
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security,
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security, or
- (g) any insolvency or similar proceedings

21.4 Immediate recourse

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

21.5 Appropriations

Until all the Liabilities have been irrevocably paid in full and all facilities which might give rise to Liabilities have terminated, each Finance Party (or any trustee or agent on its behalf) may

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Chargor shall be entitled to the benefit of the same, and
- (b) hold in an interest-bearing suspense account any moneys received from any Chargor or on account of any Chargor's liability under this Deed

21 6 Deferral of Chargors' rights

Until all the Liabilities have been irrevocably paid in full and all facilities which might give rise to Liabilities have terminated and unless the Security Trustee otherwise directs, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents

- (a) to be indemnified by an Obligor,
- (b) to claim any contribution from any other Chargor for or any other provider of Security for or guarantor of any Obligor's obligations under the Finance Documents,
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any guarantee or other security taken pursuant to, or in connection with, the Finance Documents by any Finance 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 a Chargor has given a guarantee, undertaking or indemnity,
- (e) to exercise any right of set-off against any Obligor, and/or
- (f) to claim or prove as a creditor of any Obligor in competition with any Finance Party

If a Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Finance Parties and shall promptly pay or transfer the same to the Security Trustee or as the Security Trustee may direct for application in accordance with Clause 17 (*Order of distributions*)

21 7 Additional Security

The Charges are in addition to and are not in any way prejudiced by any other guarantees or security now or subsequently held by any Finance Party

21 8 Tacking

Each Finance Party shall comply with its obligations under the Finance Documents (including any obligation to make further advances)

22 DISCHARGE OF SECURITY

22 1 Final redemption

Subject to Clause 22 2 (*Retention of security*), if the Security Trustee is satisfied that all the Liabilities have been irrevocably paid in full and that all facilities which might give rise to Liabilities have terminated, the Security Trustee shall at the request and cost of the Chargors release, reassign or discharge (as appropriate) the Charged Assets from the Charges and return all deeds and documents of title held by the Security Trustee in relation to this Deed and execute and deliver such further deeds and documents as any Chargor may reasonably require to give effect to this clause

22 2 Retention of security

If the Security Trustee considers that any amount paid or credited to any Finance Party under any Finance Document is capable of being avoided or otherwise set aside on the Winding-up of any Chargor or any other person, or otherwise, that amount shall not be considered to have been paid for the purposes of determining whether all the Liabilities have been irrevocably paid

22 3 Consolidation

Section 93 of the LPA shall not apply to the Charges

23 ENFORCEMENT EXPENSES

23 1 Expenses

Each Chargor shall, within three Business Days of demand, pay to the Security Trustee the amount of all costs, losses, liabilities and expenses (including legal fees) incurred by any Finance Party, any Receiver or any Delegate in relation to any Finance Document (including the administration, protection, realisation, enforcement or preservation of any rights under or in connection with this Deed, or any consideration by the Security Trustee as to whether to realise or enforce the same, and/or the costs and expenses incurred in connection with any amendment, waiver, consent or release of any Finance Document and/or any other document referred to in this Deed)

23 2 VAT

- (a) All amounts set out or expressed in a Finance Document to be payable by any Party to a Finance Party, Receiver or Delegate which (in whole or in part) constitute the consideration for a supply or supplies for VAT purposes shall be deemed to be exclusive of any VAT which is chargeable on such supply or supplies, and accordingly, if VAT is or becomes chargeable on any supply made by any Finance Party, Receiver or Delegate to any Party under a Finance Document, that Party shall pay to the Finance Party, Receiver or Delegate (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of such VAT (and such Finance Party, Receiver or Delegate shall promptly provide an appropriate VAT invoice to such Party)
- (b) Where a Finance Document requires any Party to reimburse or indemnify a Finance Party, Receiver or Delegate for any cost or expense, that Party shall reimburse or indemnify (as the case may be) such Finance Party, Receiver or Delegate for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Finance Party, Receiver or Delegate reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority
- (c) Any reference in this Clause 23 2 to any Party shall, at any time when such Party is treated as a member of a group for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member of such group at such time (the term "representative member" to have the same meaning as in the Value Added Tax Act 1994)

24 PAYMENTS

24 1 Demands

Any demand for payment made by any Finance Party shall be valid and effective even if it contains no statement of the relevant Liabilities or an inaccurate or incomplete statement of them

24 2 Payments

All payments by any Chargor under this Deed (including damages for its breach) shall be made in the Currency of Account and to such account, with such financial institution and in such other manner as the Security Trustee may direct

24 3 Continuation of accounts

At any time after

- (a) the receipt by any Finance Party of notice (either actual or otherwise) of any subsequent Security affecting the Charged Assets of any Chargor, or
- (b) the presentation of a petition or the passing of a resolution in relation to the Winding-up of any Chargor,

any Finance Party may open a new account in the name of that Chargor with that Finance Party (whether or not it permits any existing account to continue) If that Finance Party does not open such a new account, it shall nevertheless be treated as if it had done so when the relevant event occurred No moneys paid into any account, whether new or continuing, after that event shall discharge or reduce the amount recoverable pursuant to any Finance Document to which that Chargor is party

24 4 Joint and several liability

The liability of each Chargor under this Deed shall be joint and several Each agreement and undertaking of any Chargor shall be construed accordingly

25 RIGHTS, WAIVERS AND DETERMINATIONS

25 1 Ambiguity

Where there is any ambiguity or conflict between the rights conferred by law and those conferred by or pursuant to any Finance Document, the terms of that Finance Document shall prevail

25 2 Exercise of rights

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, Receiver or Delegate, any right or remedy under any Finance Document shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy The rights and remedies provided in the Finance Documents are cumulative and not exclusive of any rights or remedies provided by law, including the right to appoint an Administrator under the Insolvency Act

25 3 Determinations

Any determination by or certificate of any Finance Party or any Receiver or Delegate under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates

26 SEPARATE AND INDEPENDENT OBLIGATIONS

The Security created by each Chargor by or in connection with any Finance Document is separate from and independent of the Security created or intended to be created by any other Chargor by or in connection with any Finance Document

27 INDEMNITIES

27.1 Environmental indemnity

Each Chargor shall indemnify each Finance Party against any and all costs, losses, liabilities or expenses together with any associated VAT incurred by each Finance Party arising (directly or indirectly) out of or in connection with

- (a) any actual or alleged breach of or liability under Environmental Law by any member of the Group or affecting any property currently or previously owned, leased, occupied or controlled by any member of the Group (including any offsite waste management or disposal location utilised by any member of the Group),
- (b) any responsibility on the part of any Finance Party in respect of any clean-up, repair or other corrective action in relation to any such actual or alleged breach or liability, or
- (c) the business or any Real Property of any Chargor

27.2 Indemnities separate

Each indemnity in this Deed shall

- (a) constitute a separate and independent obligation from the other obligations in this Deed,
- (b) give rise to a separate and independent cause of action,
- (c) apply irrespective of any indulgence granted by any Finance Party,
- (d) continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any Liability or any other judgment or order, and
- (e) apply whether or not any claim under it relates to any matter disclosed by any Chargor or otherwise known to any Finance Party

28 COUNTERPARTS

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed

29 GOVERNING LAW

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law

This Deed has been duly delivered on the date stated at the beginning of this Deed

SCHEDULE 1

THE CHARGORS

Name of Chargor	Registration number
London & Regional (Health Clubs) Limited	05788201
London & Regional (HC Properties) Limited	05788421
Yorkmeadow Limited	05534816

SCHEDULE 2

RIGHTS OF RECEIVERS

Any Receiver appointed pursuant to Clause 15 (*Appointment and Rights of Receivers*) shall have the right, either in his own name or in the name of the relevant Chargor or otherwise and in such manner and upon such terms and conditions as the Receiver thinks fit, and either alone or jointly with any other person

(a) **Enter into possession**

to take possession of, get in and collect the Charged Assets, and to require payment to him or to any Finance Party of any Book Debts or credit balance on any Bank Account,

(b) **Carry on business**

to manage and carry on any business of that Chargor,

(c) **Contracts**

to enter into any contract or arrangement and to perform, repudiate, rescind or vary any contract or arrangement to which that Chargor is a party,

(d) **Deal with Charged Assets**

to sell, transfer, assign, exchange, hire out, lend or otherwise dispose of or realise the Charged Assets (including any Fixtures, which may be sold separately from the related Real Property) to any person (including a new company formed pursuant to paragraph (e) (*Hive down*)) either by public offer or auction, tender or private contract and for a consideration of any kind (which may be payable or delivered in one amount or by instalments spread over a period or deferred),

(e) **Hive down**

to form a new company and to subscribe for or acquire (for cash or otherwise) any investment in or of the new company and to sell, transfer, assign, exchange and otherwise dispose of or realise any such investments or part thereof or any rights attaching thereto,

(f) **Borrow money**

to borrow or raise money either unsecured or on the security of the Charged Assets (either in priority to the Charges or otherwise),

(g) **Covenants and guarantees**

to enter into bonds, covenants, guarantees, indemnities and other commitments and to make all payments needed to effect, maintain or satisfy them,

(h) **Dealings with tenants**

to grant leases, tenancies, licences and rights of user, grant renewals and accept surrenders of leases, tenancies, licences or rights of user, and otherwise to reach agreements and make arrangements with, and to make allowances to, any lessees, tenants or other persons (including a new company formed pursuant to paragraph (e) (*Hive down*)) from whom any rents and profits may be receivable (including those relating to the grant of any licences, the review of rent in

accordance with the terms of, and the variation of, the provisions of any leases, tenancies, licences or rights of user affecting the Charged Assets),

(i) **Rights of ownership**

to manage and use the Charged Assets and to exercise and do (or permit that Chargor or any nominee of it to exercise and do) all such rights and things as the Receiver would be capable of exercising or doing if he were the absolute beneficial owner of the Charged Assets,

(j) **Insurance, repairs, improvements etc**

to insure the Charged Assets on such terms as he thinks fit, to carry out decorations, repairs, alterations, improvements and additions to the Charged Assets (including the development or redevelopment of any Real Property) and to purchase or otherwise acquire or do anything in connection with the Charged Assets,

(k) **Claims**

to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of that Chargor or relating to the Charged Assets,

(l) **Legal actions**

to bring, prosecute, enforce, defend and abandon actions, suits and proceedings in relation to the Charged Assets or any business of that Chargor,

(m) **Redemption of Security**

to redeem any Security (whether or not having priority to the Charges) over the Charged Assets and to settle the accounts of any person with an interest in the Charged Assets,

(n) **Employees etc**

to appoint, hire and employ officers, employees, contractors, agents, advisors and others and to discharge any such persons and any such persons appointed, hired or employed by that Chargor,

(o) **Insolvency Act**

to exercise all powers set out in Schedule 1 or (in the case of a Scottish Receiver) Schedule 2 to the Insolvency Act as now in force (whether or not in force at the date of exercise and whether or not the Receiver is an administrative receiver) and any powers added to Schedule 1 or Schedule 2, as the case may be, after the date of this Deed, and

(p) **Other powers**

to do anything else he may think fit for the realisation of the Charged Assets or incidental to the exercise of any of the rights conferred on the Receiver under or by virtue of any Finance Document to which the relevant Chargor is party, the LPA or the Insolvency Act

SCHEDULE 3
REAL PROPERTY

Owner	Name	Address of Property	Title Number (s)	Freehold/Leasehold
Yorkmeadow	Harbour Club	The Harbour Club, Watermeadow Lane, London SW6 2RW	Freehold NGL590444 Long leasehold BGL46680 35-year leasehold BGL47182	Freehold and Leasehold
Prop Co	Hatfield Property	Land and building on the south east side of Mosquito Way, Hatfield	HD416374	Freehold
Prop Co	High Wycombe Property	Glory Mill Sportsfield, Glory Mill Lane, Woodburn Green	BM248837	Freehold
Prop Co	Dartford Property	Next Generation Club, Darenth Road, Dartford DA1 1RT	K680496	Freehold
Prop Co	Romford Property	Squirrels Heath Lane, Gidea Park, Romford, Essex	EGL431333	Freehold
Prop Co	Swindon Property	Swindon (Kembrey Park) SN2 8YS	WT249869	Leasehold
Prop Co	Ipswich Property	Land on the north side of The Havens, Ransomes, Europark, Ipswich	SK199313	Freehold
Prop Co	Bristol Property	David Lloyd Leisure Club, Greystoke Avenue, Bristol BS10 6AZ	BL99689	Leasehold
Prop Co	Cambridge Property	South side of Coldham's Lane, Cambridge (also known as part of Coldham's Business Park, Norman Way, Coldham's Lane, Cambridge CB1 3LH	CB257745	Freehold
Prop Co	Chorley Property	Leisure Complex, Moss Lane, Whittle Le	LA850882	Freehold

		Woods, Chorley, Lancashire		
Prop Co	Dudley Property	Land on the north and north west side of John Street, Brierley Hill, Dudley	WM698020 WM401306	Freehold
Prop Co	Edinburgh Property	Next Generation Club, Western Harbour Drive, Edinburgh	MID107178	Leasehold
Prop Co	Glasgow Property	Next Generation Club, 236 Netherton Road, Glasgow	GLA140149	Freehold
Prop Co	Dundee Property	Next Generation Club, Ethiebeaton Park, Monifieth, Dundee	ANG47463	Freehold
Prop Co	York Property	Land lying to the west of Windmill Lane, Hull Road, York (also known as the David Lloyd Club, St John's Playing Fields, off Hull Road, York)	NYK251989	Freehold
Prop Co	Leicester Property	David Lloyd Leisure Club, Carlton Park, Narborough, Leicester LE19 0LF	LT361119	Leasehold

SCHEDULE 4
INVESTMENTS

Company	Registration Number	Fully paid share capital	Name of shareholder / Chargor
London & Regional (HC Properties) Limited	05788421	1	London & Regional (Health Clubs) Limited
Yorkmeadow Limited	05534816	34,500,001	London & Regional (HC Properties) Limited

SCHEDULE 5
FORM OF NOTICE OF ASSIGNMENT TO OCCUPATIONAL TENANTS

To David Lloyd Leisure Limited

Address C/o Blake Lapthorn
New Kings Court
Tollgate
Chandler's Fort
Eastleigh
Hampshire
SO53 3LG

Date

CBRE Loan Servicing Limited (the "Security Trustee") and London & Regional (HC Properties) Limited (as Chargor A), Yorkmeadow Limited (as Chargor B), London & Regional (Health Clubs) Limited (as Chargor C) (together the "Chargors") give notice that, by an assignment contained in a Fixed and Floating Security Document dated June 2014 between the Chargors and the Security Trustee, each Chargor assigned to the Security Trustee (subject to a provision for re-assignment) all its present and future right, title and interest in and to the lease listed below (the "Assigned Lease"), including all moneys payable to each Chargor, and any claims, awards and judgments receivable or received by or in favour of any Chargor, pursuant to and under or in connection with the Assigned Lease

Assigned Lease

Lease dated 18 July 2007 made between (1) Next Generation Clubs Limited and (2) London and Regional (Health Clubs No 3) Limited and London Regional (Health Clubs No 4) Limited

Until such time as you receive instructions from the Security Trustee to the contrary, all moneys payable by you to each Chargor pursuant to, under or in connection with the Assigned Lease shall be paid into the following account (Account No 90211672) with Barclays Bank plc at 1 Churchill Place, London, E14 5HP) unless and until you receive written notice from the Security Trustee to the contrary, in which event you should make all future payments as then directed by the Security Trustee. This authority and instruction is irrevocable without the prior written consent of the Security Trustee.

Despite the assignment referred to above or the making of any payment by you to the Security Trustee pursuant to it, each Chargor shall remain liable to perform all its obligations under the Assigned Lease and neither the Security Trustee nor any receiver, delegate or sub-delegate appointed by it shall at any time be under any obligation or liability to you under or in respect of the Assigned Lease.

Until such time as you receive instructions from the Security Trustee to the contrary, no Chargor shall and you agree that no Chargor shall amend, vary or waive (or agree to amend, vary or waive) any provision of the Assigned Lease or exercise any right to rescind, cancel or terminate the Assigned Lease without the prior written consent of the Security Trustee and all such rights, powers and discretions under the Assigned Lease shall be exercisable by, and notices shall be given to, the Security Trustee or as it directs.

Please acknowledge receipt of this Notice of Assignment and confirm that

- 1 you will pay all sums due under the Assigned Lease as directed by or pursuant to this Notice of Assignment,
- 2 you will not claim or exercise any set-off or counterclaim in respect of the Assigned Lease,
- 3 you have not received any other notice of any assignment or charge of the Assigned Lease or of any other interest of any third party in the Assigned Lease, and
- 4 you will comply with the other provisions of this Notice of Assignment,

by signing the acknowledgement on the attached copy of this Notice of Assignment and returning that copy to the Security Trustee at St Martins Court, 10 Paternoster Row, London EC4M 7HP, marked for the attention of [_____]

For and on behalf of
CBRE Loan Servicing Limited
as Security Trustee

For and on behalf of
London & Regional (HC Properties) Limited
as Chargor A

For and on behalf of
Yorkmeadow Limited
as Chargor B

For and on behalf of
London & Regional (Health Clubs) Limited
as Chargor C

Acknowledgment of Assignment of Occupational Lease

We acknowledge receipt of the Notice of Assignment of which this is a copy and confirm each of the matters referred to in paragraphs 1 to 4 (inclusive) of the Notice of Assignment

For and on behalf of **David Lloyd Leisure
Limited**

Date

SCHEDULE 6
FORM OF NOTICE OF ASSIGNMENT OF BANK ACCOUNTS

To Barclays Bank plc
1 Churchill Place
London
E14 5HP

Date

- 1 CBRE Loan Servicing Limited (the "**Security Trustee**") and London & Regional (HC Properties) Limited (as Chargor A), Yorkmeadow Limited (as Chargor B), London & Regional (Health Clubs) Limited (as Chargor C) (together the "**Chargors**") give notice that, by an assignment contained in a Fixed and Floating Security Document dated June 2014 between the Chargors and the Security Trustee, each Chargor assigned to the Security Trustee (subject to a provision for re-assignment) all its present and future right, title and interest in and to the accounts with you listed below (the "**Assigned Accounts**") including all moneys which may at any time be standing to the credit of any Assigned Account

Name of Account	Account Number
Proceeds Account	[REDACTED]
Rent Account	[REDACTED]
Tax Reserve Account	[REDACTED]

- 2 Accordingly, until you receive instructions from the Security Trustee to the contrary
- 2 1 all rights, powers and discretions of each Chargor in relation to any Assigned Account shall be exercisable solely by the Security Trustee,
- 2 2 no moneys may be released from any Assigned Account without the prior written consent of the Security Trustee, and
- 2 3 you should apply any amount standing to the credit of any Assigned Account as directed from time to time by the Security Trustee,
- provided that (until you receive notice from the Security Trustee to the contrary) each Chargor shall be entitled to agree with you the maturity dates from time to time for the amount standing to the credit of any Assigned Account up to a maximum maturity period of three months
- 3 You agree
- 3 1 to disclose to the Security Trustee such information relating to any Assigned Account as the Security Trustee may from time to time request, and
- 3 2 not to claim or exercise any security interest in, set-off, counterclaim or other rights in respect of any Assigned Account
- 4 This authority and instruction is irrevocable without the prior written consent of the Security Trustee

Please acknowledge receipt of this Notice of Assignment, and confirm that you will pay all moneys as directed by or pursuant to this Notice of Assignment and will comply with the other provisions of this Notice of Assignment, by signing the acknowledgement on the attached copy of this Notice of Assignment and returning that copy to the Security Trustee at St Martins Court, 10 Paternoster Row, London EC4M 7HP, marked for the attention of [_____]

For and on behalf of
CBRE Loan Servicing Limited
as Security Trustee

For and on behalf of
London & Regional (HC Properties) Limited
as Chargor A

For and on behalf of
Yorkmeadow Limited
as Chargor B

For and on behalf of
London & Regional (Health Clubs) Limited
as Chargor C

Acknowledgment of Notice to Account Bank

We acknowledge receipt of the Notice of Assignment of which this is a copy and agree to comply with its terms. We confirm that we have not received any other notice of assignment or notice that any other person claims any rights in respect of any Assigned Account.

For and on behalf of **Barclays Bank plc**

Date

SCHEDULE 7
FORM OF NOTICE OF ASSIGNMENT OF INSURANCES

To [The Insurers] [Date]

Address

[] (the "Security Trustee") and [] (as Chargor A), [] (as Chargor B),
[] (as Chargor C) (together the "Chargors") give notice that by an assignment contained in
a Fixed and Floating Security Document dated [] between the Chargors and the Security
Trustee, each Chargor assigned to the Security Trustee (subject to a provision for re-assignment) all its
present and future right, title and interest in and to the insurances, details of which are set out in the
attached schedule (the "Insurances")

1 Insurances Other Than Third Party Insurance

All moneys payable by you to each Chargor in respect of the Insurances other than third party
Insurances shall be paid to Account No [] entitled [] with [],
unless and until you receive written notice from the Security Trustee to the contrary, in which
event you should make all future payments as then directed by the Security Trustee

2 Third Party Liability Insurance

Subject to any applicable legislation and despite the assignments referred to above, all sums in
respect of any claim under any third party Insurance by an insured party shall be paid

- 2 1 directly to the person whose claim(s) constitute(s) the risk or liability insured against, provided
that such person has executed a discharge of all claims against each insured party in respect of
the risk or liability in relation to which the claim was made, or
- 2 2 (despite any policy term to the contrary) to the extent that insurers accept liability to indemnify
the insured party in respect of the claims or liabilities which the insured party has settled directly
with the claimant, to the relevant insured party,
unless the insured party is a Chargor, in which case such sums shall be paid as directed by the
Security Trustee

3 Irrevocable Authority

This authority and instruction is irrevocable without the prior written consent of the Security
Trustee

Please acknowledge receipt of this Notice of Assignment, and confirm that you will pay all moneys in
respect of the Insurances as directed by or pursuant to this Notice of Assignment, by signing the
acknowledgement on the attached copy of this Notice of Assignment and returning that copy to the
Security Trustee at [], marked for the attention of []

For and on behalf of
[]
as Security Trustee

For and on behalf of
[]
as Chargor A

For and on behalf of
[]
as Chargor B

For and on behalf of
[]
as Chargor C

[On duplicate]

We acknowledge receipt of the Notice of Assignment of which this is a copy and agree to comply with its terms. We confirm that we have not received any other notice of assignment or notice that any other person claims any rights in respect of the Insurances.

For and on behalf of
[The Insurers]

Date

SCHEDULE 8
FORM OF NOTICE OF ASSIGNMENT OF ASSIGNED CONTRACTS

To [Party to Assigned Contract]

Address

[Date]

[] (the "Security Trustee") and [] (as Chargor A), [] (as Chargor B), [] (as Chargor C) (together the "Chargors") give notice that, by an assignment contained in a Fixed and Floating Security Document dated [], 2002 between the Chargors and the Security Trustee, each Chargor assigned to the Security Trustee (subject to a provision for re-assignment) all its present and future right, title and interest in and to the contracts listed below (the "Assigned Contracts"), including all moneys payable to each Chargor, and any claims, awards and judgments receivable or received by or in favour of any Chargor, pursuant to and under or in connection with the Assigned Contracts

Assigned Contracts

[describe the Assigned Contracts]

On receipt of written notice from the Security Trustee, all moneys payable by you to each Chargor pursuant to and under or in connection with any Assigned Contract shall be paid into such account as directed by the Security Trustee

Despite the assignment referred to above or the making of any payment by you to the Security Trustee pursuant to it, each Chargor shall remain liable to perform all its obligations under each Assigned Contract and neither the Security Trustee nor any receiver, delegate or sub-delegate appointed by it shall at any time be under any obligation or liability to you under or in respect of any Assigned Contract

Each Chargor shall also remain entitled to exercise all their rights, powers and discretions under each Assigned Contract, except that no Chargor shall and you agree that no Chargor shall amend, vary or waive (or agree to amend, vary or waive) any provision of any Assigned Contract or exercise any right to rescind, cancel or terminate any Assigned Contract without the prior written consent of the Security Trustee, and you should continue to give notices under each Assigned Contract to each Chargor, in each case unless and until you receive written notice from the Security Trustee to the contrary, in which event all such rights, powers and discretions shall be exercisable by, and notices shall be given to, the Security Trustee or as it directs

Please acknowledge receipt of this Notice of Assignment and confirm that

- 1 you will pay all sums due under each Assigned Contract as directed by or pursuant to this Notice of Assignment,
- 2 you will not claim or exercise any set-off or counterclaim in respect of any Assigned Contract,
- 3 you have not received any other notice of any assignment or charge of any Assigned Contract or of any other interest of any third party in any Assigned Contract, and
- 4 you will comply with the other provisions of this Notice of Assignment,

by signing the acknowledgement on the attached copy of this Notice of Assignment and returning that copy to the Security Trustee at [____], marked for the attention of [_____]

For and on behalf of

as Security Trustee

For and on behalf of

[_____]

as Chargor A

For and on behalf of

[_____]

as Chargor B

For and on behalf of

[_____]

as Chargor C

[On duplicate]

We acknowledge receipt of the Notice of Assignment of which this is a copy and confirm each of the matters referred to in paragraphs 1 to 4 (inclusive) of the Notice of Assignment

For and on behalf of

[Party to Assigned Contract]

Date

The Chargors

SIGNED as a DEED by LONDON & REGIONAL
(HEALTH CLUBS) LIMITED acting by a Director in
the presence of



Signature of witness

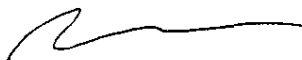


Name *ARCHAN NATHAN*

Address [REDACTED]
[REDACTED]
[REDACTED]

Occupation [REDACTED]

SIGNED as a DEED by LONDON & REGIONAL
(HC PROPERTIES) LIMITED acting by a Director in
the presence of



Signature of witness

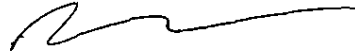


Name *ARCHAN NATHAN*

Address [REDACTED]
[REDACTED]
[REDACTED]

Occupation [REDACTED]

SIGNED as a DEED by YORKMEADOW LIMITED
acting by a Director in the presence of



Signature of witness



Name FARHAN NATHWANI

Address [REDACTED]

[REDACTED]

[REDACTED]

Occupation [REDACTED]

The Security Trustee

SIGNED for and on behalf of CBRE LOAN
SERVICING LIMITED

SIGNED as a DEED by YORKMEADOW LIMITED
acting by a Director in the presence of

Signature of witness

Name

Address

Occupation

The Security Trustee

SIGNED for and on behalf of CBRE LOAN
SERVICING LIMITED



GERARD NATION



Steven Ambridge