

# M

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\*insert full name  
of Company

COMPANIES FORM No. 395

143076/65

## Particulars of a mortgage or charge

# 395

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

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number

[ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]

6590299

Name of company

\* David Lloyd Leisure Properties No 4 Limited (the "Company")

Date of creation of the charge

15 October 2008

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

Accession Deed (the "**Deed**") to a debenture dated 3 June 2007 and made  
between (1) the Charging Companies named in the Debenture and (2) the Bank  
of Scotland PLC (formerly the Governor and Company of the Bank of Scotland)  
(as "**Security Agent**" for the Secured Parties) (the "**Debenture**")

Amount secured by the mortgage or charge

All present and future obligations and liabilities (whether actual or  
contingent and whether owed jointly or severally or alone or in any other  
capacity whatsoever) of each present or future member of the Group to the  
Security Agent and/or the other Secured Parties (or any of them) under or  
pursuant to any Finance Document (including all monies covenanted to be  
paid under the Debenture), provided that no obligation or liability shall  
be included in the definition of "**Secured Obligations**" to the extent that,  
if it were so included, the Debenture (or any part of it) would constitute  
unlawful financial assistance within the meaning of sections 151 and 152 of  
the Companies Act 1985 ("**Secured Obligations**")

(continued on Addendum 2/4)

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

Bank of Scotland PLC of New Uberior house, 11 Earl Grey Street, Edinburgh  
(AS SECURITY AGENT FOR THE SECURED PARTIES)

Postcode EH3 9BN

Presenter's name address and  
reference (if any)

Attn: Théobald Naud  
DLA Piper UK LLP  
3 Noble Street  
London  
EC2V 7EE

68233 120376.21408934 1

Time critical reference

For official Use (02/06)  
Mortgage Section

Post room

SATURDAY



A65

\*AY44042M\*

18/10/2008

COMPANIES HOUSE

78

1. **ACCESSION OF THE ACCEDING COMPANY**

(a) **Accession**

The Company:

(i) unconditionally and irrevocably undertakes to and agrees with the Security Agent to observe and be bound by the Debenture; and

(ii) created and granted at 15 October 2008 the charges, mortgages, assignments and other security which are stated to be created or granted by the Debenture,

as if it had been an original party to the Debenture as one of the Charging Companies.

(continued on Addendum 4/4)

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in black type, or  
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lettering*

Particulars as to commission allowance or discount (note 3)

N/A

Signed *DUA Piper UK UP*

Date *17/10/2008*

On behalf of ~~XXXXXXXXXXXXXXXXXXXX~~ [chargee] † BANK OF SCOTLAND PLC

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

† delete as  
appropriate

**Notes**

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

Name of company

\*insert full name  
of Company

\* David Lloyd Leisure Properties No 4 Limited (the "Company")

## Addendum 1/4

## 1 Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

## Addendum 2/4

## 2 Amount due or owing on the mortgage or charge (continued)

## NOTE.

## In this form:

**"Acceding Company"** means the Company;

**"Accession Deed"** means an accession deed to the Debenture substantially in the form set out in schedule 6 (Form of Accession Deed) of the Debenture,

**"Assigned Assets"** means the Security Assets expressed to be assigned pursuant to clause 4 2 (Security assignments) of the Debenture,

**"Authorisation"** means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;

**"Cash Collateral Accounts"** means each

- (a) Mandatory Prepayment Account, and
  - (b) Holding Account,
- (each as defined in the Senior Facilities Agreement)

and including but not limited to the accounts (if any) specified as such in part 3 of the schedule hereto (Details of Security Assets),

**"Charged Investments"** means the Charged Securities and all present and future Related Rights accruing to all or any of the Charged Securities,

**"Charged Securities"** means

- (a) the securities specified in part 2 of the schedule hereto (Details of Security Assets), and
- (b) all other stocks, shares, debentures, bonds, warrants, coupons, negotiable instruments, certificates of deposit or other securities or "investments" (as defined in part II of schedule II to the Financial Services and Markets Act 2000 as in force at 3 June 2007) as at 3 June 2007 or in future owned (legally or beneficially) by a Charging Company or held by a nominee, trustee, fiduciary or clearance system on its behalf or in which such Charging Company has an interest at any time,

**"Charging Companies"** means

- (a) the Original Charging Companies; and
- (b) any other company which accedes to the Debenture pursuant to an Accession Deed (as defined in the Debenture),

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**"Collection Account"** has the meaning given to that term in clause 11 8(a)(iii) of the Debenture;

**"Debenture"** means a debenture dated 3 June 2007 and made between (1) the Charging Companies named in the Debenture and (2) the Security Agent,

**"Debenture Security"** means the Security created or evidenced by or pursuant to the Debenture, the Deed or any Accession Deed,

**"Declared Default"** means an Event of Default in respect of which any notice has been issued or rights exercised by the agent under the Senior Facilities Agreement under clause 25 20 (Rights on a default) of the Senior Facilities Agreement,

**"Delegate"** means any delegate, sub-delegate, agent, attorney or co-trustee appointed by the Security Agent or by a Receiver,

**"Event of Default"** means any event or circumstance specified as such in clause 28 (Events of Default) of the Senior Facilities Agreement,

**"Finance Document"** means the Senior Facilities Agreement, any Accession Letter, any Ancillary Document, the Company Intra-Group Loan Agreement, any Compliance Certificate, any Fee Letter, any Hedging Agreement, the Intercreditor Agreement, any Resignation Letter, any Selection Notice, any Transaction Security Document, any Utilisation Request (each as defined in the Senior Facilities Agreement) and any other document designated as a "Finance Document" by the Agent (as defined in the Senior Facilities Agreement) and the Parent,

**"Finance Party"** means the Agent, the Arranger, the Security Agent, a Lender, the Issuing Bank, a Hedge Counterparty or any Ancillary Lender (each as defined in the Senior Facilities Agreement),

**"Group"** means the Parent, the Target (as defined in the Senior Facilities Agreement) and each of their respective Subsidiaries (as defined in the Senior Facilities Agreement) for the time being;

**"Insurances"** means all policies of insurance (and all cover notes) which are at any time held by or written in favour of a Charging Company, or in which a Charging Company from time to time has an interest including, without limitation:

- (a) any present and future Key-man Policy, and
- (b) the policies of insurance (if any) specified in part 6 of the schedule hereto (Details of Security Assets),

**"Intellectual Property"** means all present and future legal and/or equitable interests (including, without limitation, the benefit of all licences in any part of the world) of each Charging Company in, or relating to:

- (a) any patents, registered and unregistered trade marks and service marks, registered designs, utility models, trade names, copyrights, design rights, unregistered designs, inventions, confidential information, know-how, registrable business names, database rights, domain names; and
- (b) the benefit of all applications for, all rights to use, and any other rights of every kind deriving from or through the exploitation of, any of assets mentioned in paragraph (a)

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\* David Lloyd Leisure Properties No. 4 Limited (the "Company")

of this definition,  
(including, without limitation, the intellectual property rights (if any) specified in part 4 of the schedule hereto (Details of Security Assets));

**"Key-man Policy"** means each key-man life assurance policy (in form and substance reasonably satisfactory to the Agent and with such insurer as the Agent may reasonably approve) taken out and maintained by the Parent in respect of the death and disability and/or critical illness of the following individuals and in not less than the following respective amounts and terms

Name of individual	Amount (£)	Term
Scott Lloyd	500,000	until at least March 2008
Mark Hinds	500,000	until at least March 2008

and any substitute or replacement policy entered into relating to the same;

**"Original Charging Companies"** means David Lloyd Leisure Property Holdings No 1 Limited (previously Versailles Holdco Limited) with CRN 6261288 and David Lloyd Leisure Group Limited (previously Versailles Bidco Limited) with CRN 6261643;

**"Parent"** means David Lloyd Leisure Property Holdings No 1 Limited (previously Versailles Holdco Limited) with CRN 6261288;

**"Permitted Disposal"** means any sale, lease, licence, transfer or other disposal which is on arm's length terms

(a) of trading stock or cash made by any member of the Group in the ordinary course of trading of the disposing entity;

(b) of any asset by a member of the Group (the "Disposing Company") to another member of the Group (the "Acquiring Company"), but if

(1) the Disposing Company (as defined in the Senior Facilities Agreement) is an Obligor (as defined in the Senior Facilities Agreement), the Acquiring Company (as defined in the Senior Facilities Agreement) must also be an Obligor;

(11) the Disposing Company had given Security over the asset, the Acquiring Company must give equivalent Security over that asset, and

(111) the Disposing Company is a Guarantor (as defined in the Senior Facilities Agreement), the Acquiring Company must be a Guarantor guaranteeing at all times an amount no less than that guaranteed by the Disposing Company,

(c) provided no Default (as defined in the Senior Facilities Agreement) has occurred which is continuing, of assets (other than shares, businesses, Intellectual Property and Real Property) the proceeds of which are applied in exchange for other assets comparable or superior as to type, value or quality as soon as possible but in any event within six months of receipt or such longer period as the Majority Lenders (as defined in the Senior Facilities Agreement) may agree provided that the aggregate amount of all such Disposals Proceeds (as defined in the Senior Facilities Agreement) shall not exceed £500,000 in any period of 12 months from the Closing Date (as defined in the Senior Facilities Agreement) and such Disposal Proceeds shall during such period be retained in a Holding Account,

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\*insert full name  
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\* David Lloyd Leisure Properties No 4 Limited (the "Company")

- (d) of obsolete or redundant vehicles, plant and equipment for cash,
- (e) of Cash Equivalent Investments (as defined in the Senior Facilities Agreement) for cash or in exchange for other Cash Equivalent Investments;
- (f) constituted by a licence of intellectual property rights permitted by clause 27 29 (Intellectual Property) of the Senior Facilities Agreement; and
- (g) arising as a result of any Permitted Security,

**"Permitted Security" means**

- (a) any lien arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any member of the Group;
- (b) any netting or set-off arrangement entered into by any member of the Group with an Ancillary Lender (as defined in the Senior Facilities Agreement) in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the Group;
- (c) any Security or Quasi-Security over or affecting any asset acquired by a member of the Group after the Closing Date if.
  - (i) the Security or Quasi-Security was not created in contemplation of the acquisition of that asset by a member of the Group;
  - (ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that asset by a member of the Group, and
  - (iii) the Security or Quasi-Security is removed or discharged within 90 days of the date of acquisition of such asset,
- (d) any Security or Quasi-Security over or affecting any asset of any company which becomes a member of the Group after the Closing Date, where the Security or Quasi-Security is created before the date on which that company becomes a member of the Group if
  - (i) the Security or Quasi-Security was not created in contemplation of the acquisition of that company,
  - (ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that company, or
  - (iii) the Security or Quasi-Security is removed or discharged within 90 days of the date of that company becoming a member of the Group,
- (e) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Group in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any member of the Group;
- (f) any Security or Quasi-Security (existing as at 3 June 2007) over assets of any member of the Target Group or NGC Group (each as defined in the Senior Facilities Agreement) so long as the Security or Quasi-Security is irrevocably removed or discharged by no later than the Closing Date,

Name of company

\*insert full name  
of Company

\* David Lloyd Leisure Properties No. 4 Limited (the "Company")

- (g) any Quasi-Security arising as a result of a disposal which is a Permitted Disposal; or
- (h) any Security or Quasi-Security arising as a consequence of any finance or capital lease permitted pursuant to paragraph
- (f) of the definition of "Permitted Financial Indebtedness" (as defined in the Senior Facilities Agreement);
- (i) a charge dated 20 June 2001 created by David Lloyd Leisure Limited in favour of Southampton City Council,
- (j) a charge dated 18 September 1995 created by David Lloyd Leisure Limited in favour of the City of Newcastle upon Tyne;
- (k) a charge dated 18 September 1995 created by Castledene Leisure Limited in favour of The Council and City of Newcastle upon Tyne,
- (l) any Security securing indebtedness the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other indebtedness which has the benefit of Security given by any member of the Group other than any permitted under paragraphs (a) to (k) above) does not exceed £500,000 (or its equivalent in other currencies);

**"Permitted Transaction"** means.

- (a) any Disposal (as defined in the Senior Facilities Agreement) required by the terms of the Finance Documents,
- (b) any Financial Indebtedness (as defined in the Senior Facilities Agreement) arising under the Finance Documents,
- (c) any guarantee or indemnity entered into in favour of any Finance Party under the Finance Documents;
- (d) any Security or Quasi-Security granted in favour of any Finance Party under the Finance Documents,
- (e) any loan arising under the Finance Documents, or
- (f) the solvent liquidation or reorganisation of any Non-Obligor (as defined in the Senior Facilities Agreement) so long as any payments or assets distributed as a result of such liquidation or reorganisation are distributed to other members of the Group,

**"Quasi-Security"** has the meaning given to that term in clause 27.15 (Negative pledge) of the Senior Facilities Agreement,

**"Real Property"** means

- (a) any freehold, leasehold or immovable property, and
- (b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of that freehold, leasehold or immovable property,

**"Receivables"** means all present and future book debts and other debts, rentals, royalties, fees, VAT (as defined in the Senior Facilities Agreement) and monetary claims and all other amounts at any time recoverable or receivable by, or due or owing to, any Charging Company

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\* David Lloyd Leisure Properties No 4 Limited (the "Company")

(whether actual or contingent and whether arising under contract or in any other manner whatsoever) together with:

(a) the benefit of all rights, guarantees, Security and remedies relating to any of the foregoing (including, without limitation, negotiable instruments, indemnities, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights); and

(b) all proceeds of any of the foregoing,

**"Receiver"** means any receiver, receiver and manager or administrative receiver appointed by the Security Agent under the Debenture;

**"Related Rights"** means, in relation to any Charged Securities

(a) all dividends, distributions and other income paid or payable on the relevant Charged Security or on any asset referred to in paragraph (b) of this definition, and

(b) all rights, monies or property accruing or offered at any time in relation to such Charged Security whether by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise,

**"Relevant Contract"** means:

(a) each Acquisition Document (as defined in the Senior Facilities Agreement),

(b) each Hedging Agreement (as defined in the Senior Facilities Agreement); and

(c) each agreement specified in part 5 of the schedule hereto (Details of Security Assets) or specified in any Accession Deed as a "Material Contract",

together with each other agreement supplementing or amending or novating or replacing the same,

**"Secured Parties"** means each Finance Party from time to time party to the Senior Facilities Agreement, any Receiver or Delegate,

**"Security"** means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect,

**"Security Assets"** means all property and assets from time to time mortgaged, charged or assigned (or expressed to be mortgaged, charged or assigned) by or pursuant to the Deed, and

**"Security Period"** means the period beginning 3 June 2007 and ending on the date on which:

(a) all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full, and

(b) no Secured Party has any further commitment, obligation or liability under or pursuant to the Finance Documents,

**"Senior Facilities Agreement"** means the sterling term bridge and multicurrency revolving facilities agreement dated 3 June 2007 and made between (1) the Parent, (2) David Lloyd Leisure Group Limited (previously Versailles Bidco Limited), (3) the companies listed in part 1 of schedule 1 to it as Original Borrowers, (4) the companies listed in part 1 of



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schedule 1 to it as Original Guarantors, (5) The Governor and Company of the Bank of Scotland as Arranger, (6) the banks and financial institutions listed in part 2 of schedule 1 to it as Original Lenders, (7) The Governor and Company of the Bank of Scotland as Agent (8) The Governor and Company of the Bank of Scotland as the Security Agent and (9) The Governor and Company of the Bank of Scotland as Original Issuing Bank,

**"Transaction Security Documents"** means each of the documents specified in

- (a) clause 27 41(b) of the Senior Facilities Agreement,
- (b) paragraph 3(e) of part 1 of schedule 2 (Conditions precedent) of the Senior Facilities Agreement,
- (c) paragraph 2(c) and 3(d) of part 2 of schedule 2 (Conditions precedent) of the Senior Facilities Agreement; and
- (d) paragraph 12 of part 3 of schedule 2 (Conditions precedent) of the Senior Facilities Agreement

together with any other document entered into by any Obligor creating or expressed to create any Security in favour of any Finance Party in relation to the obligations of any Obligor under any Finance Document.

#### SCHEDULE

(PLEASE SEE SCHEDULE ON THE CONTINUATION PAGES ATTACHED)

#### Addendum 3/4

3 Names, addresses and descriptions of the mortgages or persons entitled to the charge (continued)

#### Addendum 4/4

4 Short particulars of all the property mortgaged or charged (continued)

**(b) Covenant to pay**

Without prejudice to the generality of clause 2(a) (Accession) of the Deed, the Company (jointly and severally with the other Charging Companies and each other Acceding Company), covenanted in the terms set out in clause 2 of the Debenture (Covenant to pay)

**(c) Charge and assignment**

Without prejudice to the generality of clause 2(a) (Accession) of the Deed, the Company with full title guarantee, charged and assigned (and agreed to charge and assign) to the Security Agent for the payment and discharge of the Secured Obligations, all its right, title and interest in and to the property, assets and undertaking owned by it or in which it has an interest, on the terms set out in clauses 3 (Grant of security), 4 (Fixed security) and 5 (Floating charge) of the Debenture including (without limiting the generality of the foregoing)

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\* David Lloyd Leisure Properties No 4 Limited (the "Company")

(1) by way of first legal mortgage all the freehold and leasehold Real Property (if any) vested in or charged to the Company (including, without limitation, the property specified against its name in part 1 of the schedule hereto (Details of Security Assets owned by the Company) (if any));

(11) by way of first fixed charge

(A) all the Charged Securities (including, without limitation, those specified against its name in part 2 of the schedule hereto (Details of Security Assets owned by the Company) (if any)), together with

(B) all Related Rights from time to time accruing to them;

(111) by way of first fixed charge each of its Collection Accounts and its other accounts with any bank or financial institution at any time (including, without limitation, those specified against its name in part 3 of the schedule hereto (Details of Security Assets owned by the Company) and all monies at any time standing to the credit of such accounts;

(1v) by way of first fixed charge all Intellectual Property (including, without limitation, the Intellectual Property specified against its name in part 4 of the schedule hereto (Details of Security Assets owned by the Company) (if any));

(v) by way of absolute assignment the Relevant Contracts (including, without limitation, those specified against its name in part 5 of the schedule hereto (Details of Security Assets owned by the Company) (if any)), all rights and remedies in connection with the Relevant Contracts and all proceeds and claims arising from them, and

(vi) by way of absolute assignment the Insurances (including, without limitation, those specified against its name in part 6 of the schedule hereto (Details of Security Assets owned by the Company) (if any)), all claims under the Insurances and all proceeds of the Insurances.

#### **(d) Consent**

Pursuant to clause 23.3 of the Debenture (Accession Deed), the Parent (as agent for itself and the existing Charging Companies)

(1) consents to the accession of the Company to the Debenture on the terms of the Deed, and

(11) agreed that the Debenture shall, after 15 October 2008, be read and construed as if the Company had been named in the Debenture as a Charging Company.

## **2. GRANT OF SECURITY**

### **2.1 Nature of security**

All Security and dispositions created or made by or pursuant to the Deed are created or made

(a) in favour of the Security Agent,

(b) with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994, and

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(c) as continuing security for payment of the Secured Obligations

## 2.2 Qualifying floating charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to any floating charge created by or pursuant to the Deed (and each such floating charge is a qualifying floating charge for the purposes of the Insolvency Act 1986)

## 3. FIXED SECURITY

### 3.1 Fixed charges

The Company charged and agreed to charge all of its present and future right, title and interest in and to the following assets which are at any time owned by it, or in which it from time to time has an interest

(a) by way of first legal mortgage.

(1) the Real Property (if any) specified in part 1 of the schedule hereto (Details of Security Assets), and

(11) all other Real Property (if any) of 3 June 2007 vested in, or charged to, the Company (not charged by clause 3 1(a) (1) above),

(b) by way of first fixed charge

(1) all other Real Property and all interests in Real Property (not charged by clause 3 1 (a) above),

(11) all licences to enter upon or use land and the benefit of all other agreements relating to land, and

(111) the proceeds of sale of all Real Property;

(c) by way of first fixed charge all plant and machinery (not charged by clause 3.1(a) or 3 1(b) above) and the benefit of all contracts, licences and warranties relating to the same,

(d) by way of first fixed charge

(1) all computers, vehicles, office equipment and other equipment (not charged by clause 3 1(c) above), and

(11) the benefit of all contracts, licences and warranties relating to the same, other than any which are for the time being part of the Company's stock-in-trade or work-in-progress),

(e) by way of first fixed charge

(1) the Charged Securities referred to in part 2 of the schedule hereto (Details of Security Assets), and

(11) all other Charged Securities (not charged by clause 3.1(e) (1) above),

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in each case, together with (A) all Related Rights from time to time accruing to those Charged Securities and (B) all rights which the Company may have at any time against any clearance or settlement system or any custodian in respect of any Charged Investments,

(f) by way of first fixed charge

(1) the Cash Collateral Accounts and all monies at any time standing to the credit of the Cash Collateral Accounts;

(11) the Collection Accounts and all monies at any time standing to the credit of the Collection Accounts, and

(111) all accounts of the Company with any bank, financial institution or other person at any time (not charged by clauses 3.1(f)(1) or 3 1(f)(11) above) and all monies at any time standing to the credit of such accounts,

in each case, together with all interest from time to time accrued or accruing on such monies, any investment made out of such monies or account and all rights to repayment of any of the foregoing,

(g) by way of first fixed charge

(1) the Intellectual Property (if any) specified in part 4 of the schedule hereto (Details of Security Assets); and

(11) all other Intellectual Property (if any) (not charged by clause 3 1(g)(1) above),

(h) to the extent that any Assigned Asset is not effectively assigned under clause 3 2 (Security Assignments) below by way of first fixed charge such Assigned Asset,

(1) by way of first fixed charge (to the extent not otherwise charged or assigned in the Deed):

(1) the benefit of all licences, consents, agreements and Authorisations held or used in connection with the business of the Company or the use of any of its assets; and

(11) any letter of credit issued in favour of the Company and all bills of exchange and other negotiable instruments held by it, and

(j) by way of first fixed charge all of the goodwill and uncalled capital of the Company.

### 3.2 Security assignments

The Company assigned and agreed to assign absolutely (subject to a proviso for reassignment on redemption) all of its present and future right, title and interest in and to

(a) the Relevant Contracts, all rights and remedies in connection with the Relevant Contracts and all proceeds and claims arising therefrom,

(b) each of the following:

(1) each present and future Key man Policy,

(11) all Insurances specified in part 6 of the schedule hereto (Details of Security Assets), and

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(111) all other Insurances (not assigned by clauses 3.2(b)(1) and 3.2(b)(1)(11) above, and all claims under the Insurances and all proceeds of the Insurances; and

(c) all other Receivables (not assigned under clauses 3.2(a) or 3.2(b) above)

To the extent that any Assigned Asset described in clause 3.2(b) above is not assignable, the assignment which that clause purports to effect shall operate as an assignment of all present and future rights and claims of the Company to any proceeds of the Relevant Contract or such Insurances.

### 3.3 Assigned Assets

The Security Agent is not obliged to take any steps necessary to preserve any Assigned Asset, to enforce any term of a Relevant Contract against any person or to make any enquiries as to the nature or sufficiency of any payment received by it pursuant to the Deed

### 3.4 Leasehold restrictions on charging

There was excluded from the charge created by clause 4.1 (*Fixed Charges*) of the Debenture (see clause 3.1 above) and from the operation of clause 20 (*Further Assurances*) of the Debenture any leasehold property held by a Charging Company under a lease which has a term of seven years or less and which either precludes absolutely or conditionally (including requiring the consent of any third party) that Charging Company from creating any charge over its leasehold interest in that property

### 3.5 Intellectual Property rights restricting charging

(a) There was excluded from the charge created by clause 4.1 (*Fixed Charges*) of the Debenture (see clause 3.1 above) and from the operation of clause 20 (*Further Assurances*) of the Debenture any Intellectual Property in which a Charging Company has an interest under any licence or other agreement which either precludes absolutely or conditionally (including requiring the consent of any third party) that Charging Company from creating any charge over its interest in that Intellectual Property (each an "**Excluded Intellectual Property Right**") until the relevant condition or waiver has been satisfied or obtained.

(b) For each Excluded Intellectual Property Right, each relevant Charging Company undertook to apply for the relevant consent or waiver of prohibition or condition within 14 days of the date of this deed or the date of acquisition of such Excluded Intellectual Property Right (as applicable) and, in respect of any licence or agreement which provides that the relevant third party will not unreasonably withhold its consent to charging (for this purpose a "**Relevant Intellectual Property Right**"), to use its reasonable endeavours to obtain such consent as soon as possible and to keep the Security Agent informed of the progress of its negotiations.

(c) Forthwith upon receipt of the relevant waiver or consent, the relevant formerly Excluded Intellectual Property Right shall stand charged to the Security Agent under clause 4.1 (*Fixed Charges*) (or, as the case may be, clause 20 (*Further assurances*)) of the Debenture. If required by the Security Agent, at any time following receipt of that waiver or consent, the relevant Charging Company will forthwith execute a valid fixed charge or legal assignment in such form as the Security Agent shall reasonably require.

## 4. FLOATING CHARGE

Name of company

\*insert full name  
of Company

\* David Lloyd Leisure Properties No 4 Limited (the "Company")

The Company charged and agreed to charge by way of first floating charge all of its present and future

(a) assets and undertaking (wherever located) which are not effectively charged by way of first fixed mortgage or charge or assigned pursuant to clause 4.1 (Fixed charges) or clause 4.2 (Security assignments) or any other provision of the Debenture, and

(b) (whether or not effectively so charged or assigned) heritable property and all other property and assets in Scotland

## 5. CONVERSION OF FLOATING CHARGE

### 5.1 Conversion by notice

The Security Agent may, by written notice to the Company, convert the floating charge created under the Debenture into a fixed charge as regards all or any of the assets of the Company specified in the notice if:

(a) an Event of Default has occurred and is continuing, or

(b) the Security Agent (acting reasonably) considers any Security Assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.

### 5.2 Small companies

The floating charge created under the Debenture by the Company shall not convert into a fixed charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of the Company

### 5.3 Automatic conversion

The floating charge created under the Debenture shall (in addition to the circumstances in which the same will occur under general law) automatically convert into a fixed charge

(a) in relation to any Security Asset which is subject to a floating charge if

(i) the Company creates (or attempts or purports to create) any Security (other than a Permitted Security) on or over the relevant Security Asset without the prior written consent of the Security Agent, or

(ii) any third party levies or attempts to levy any distress, execution, attachment or other legal process against any such Security Asset, and

(b) over all Security Assets of the Company which are subject to a floating charge if an administrator is appointed in respect of the Company or the Security Agent receives notice of intention to appoint such an administrator (as contemplated by the Insolvency Act 1986).

### 5.4 Scottish property

Clause 6.3 (Automatic conversion) of the Debenture will not apply to any assets situated in Scotland if, and to the extent that, a Receiver would not be capable of exercising his powers in Scotland pursuant to section 72 of the Insolvency Act 1986 by reason of such automatic conversion

Name of company

\*insert full name  
of Company

\* David Lloyd Leisure Properties No 4 Limited (the "Company")

**5.5 Partial conversion**

The giving of a notice by the Security Agent pursuant to clause 6.1 (Conversion by notice) of the Debenture in relation to any class of assets of the Company shall not be construed as a waiver or abandonment of the rights of the Security Agent to serve similar notices in respect of any other class of assets or of any other right of the Security Agent and/or the other Secured Parties.

**6. CONTINUING SECURITY****6.1 Continuing security**

The Debenture Security is continuing and will extend to the ultimate balance of the Secured Obligations regardless of any intermediate payment or discharge in whole or in part. The Deed shall remain in full force and effect as a continuing security for the duration of the Security Period.

**6.2 Additional and separate security**

The Debenture is in addition to, without prejudice to, and shall not merge with, any other right, remedy, guarantee or Security which the Security Agent and/or any other Secured Party may at any time hold for any Secured Obligation.

**6.3 Right to enforce**

The Debenture may be enforced against the Company without the Security Agent and/or any other Secured Party first having recourse to any other right, remedy, guarantee or Security held by or available to it or any of them.

**7. LIABILITY OF CHARGING COMPANIES RELATING TO SECURITY ASSETS**

Notwithstanding anything contained in the Debenture or implied to the contrary, the Company remains liable to observe and perform all conditions and obligations assumed by it in relation to the Security Assets. The Security Agent is under no obligation to perform or fulfil any such condition or obligation or to make any payment in respect of any such condition or obligation.

**8. ACCOUNTS**

No monies at any time standing to the credit of any account (of any type and however designated) of any Charging Company with the Security Agent and/or any other Secured Party (or any of them) or in which any Charging Company has an interest (and no rights and benefits relating thereto) shall be capable of being assigned to any person other than a Secured Party.

**9. UNDERTAKINGS BY THE CHARGING COMPANIES****9.1 Negative pledge and Disposals**

Except as expressly permitted by the Senior Facilities Agreement, the Company shall not do or agree to do any of the following without the prior written consent of the Security Agent.

(a) create or permit to subsist any Security or Quasi-Security on any Security Asset, or

Name of company

\*insert full name  
of Company

\* David Lloyd Leisure Properties No 4 Limited (the "Company")

(b) sell, transfer, lease, lend or otherwise dispose of (whether by a single transaction or a number of transactions and whether related or not and whether voluntarily or involuntarily) the whole or any part of its interest in any Security Asset (except for a Permitted Disposal or a Permitted Transaction)

## 9.2 Security Assets generally

The Company shall

(a) not, except with the prior written consent of the Security Agent (such consent not to be unreasonably withheld or delayed), enter into any onerous or restrictive obligation affecting any of the Security Assets (except as expressly permitted under the Senior Facilities Agreement),

(b) not do, cause or permit to be done anything which is reasonably likely to a material extent to depreciate, jeopardise or otherwise prejudice the value or marketability of any Security Asset (or make any omission which has such an effect)

## 9.3 Dealings with and realisation of Receivables and Collection Accounts

(a) The Company shall without prejudice to clause 11.1 (Negative pledge and Disposals) of the Debenture (but in addition to the restrictions in that clause), not, without the prior written consent of the Security Agent, sell, assign, charge, factor or discount or in any other manner deal with any Receivable

## 10. FURTHER ASSURANCES

### 10.1 Further action

The Company shall (and the Parent shall procure that the Company shall) at its own expense, promptly upon request do all acts and execute all documents as the Security Agent or a Receiver may reasonably specify (and in such form as the Security Agent or a Receiver may reasonably require) for

(a) creating, perfecting or protecting the Security intended to be created by the Debenture or any other Transaction Security Document,

(b) after the Debenture Security has become enforceable facilitating the realisation of any Security Asset;

(c) facilitating the exercise of any rights, powers and remedies exercisable by the Security Agent, any other Secured Party or any Receiver or any Delegate in respect of any Security Asset or provided by or pursuant to the Finance Documents or by law; or

(d) creating and perfecting Security in favour of the Security Agent or the Secured Parties over any property and assets of the Company located in any jurisdiction outside England and Wales equivalent or similar to the Security intended to be created by or pursuant to the Deed or any other Transaction Security Document

This includes

(1) the re-execution of the Deed or such Transaction Security Document,

(11) the execution of any legal mortgage, charge, transfer, conveyance, assignment, assignation or assurance of any property, whether to the Security Agent or to its nominee,



Name of company

\*insert full name  
of Company

\* David Lloyd Leisure Properties No. 4 Limited (the "Company")

and

(111) the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Security Agent may reasonably require.

**10.2 Finance Documents**

The Company shall (and the Parent shall procure that each member of the Group shall) take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Finance Parties by or pursuant to the Finance Documents.

**10.3 Specific security**

Without prejudice to the generality of clause 20 1 (Further assurances) of the Debenture, the Company will promptly upon request by the Security Agent execute any document contemplated by that clause over any Security Asset which is subject to or intended to be subject to any fixed security under the Debenture (including any fixed security arising or intended to arise pursuant to clause 6 (Conversion of floating charge) of the Debenture)

**11. POWER OF ATTORNEY**

The Company, by way of security, irrevocably and severally appointed the Security Agent, each Receiver and any Delegate to be its attorney to take any action following enforcement of the Debenture Security which the Company is obliged to take under the Debenture, including under clause 20 (Further assurances) of the Debenture or if no Declared Default has occurred which the Company has failed to take at the times and in the manner contemplated. The Company ratified and confirmed whatever any attorney does or purports to do pursuant to its appointment under this clause.

**David Lloyd Leisure Properties No. 4 Limited****Schedule****Details of Security Assets****Part 1 - Real Property**

<b>Property Name</b>	<b>Title Number</b>	<b>Short Description</b>	<b>Use</b>
Kidbrooke	SGL483666	David Lloyd Club, Kidbrooke Park Road, London SE12 8HG	Leisure Club
Derby	DY295258	David Lloyd Health and Fitness Club, Riverside Road, Pride Park, Derby, DE24 8HY	Leisure Club
Sidcup	SGL50073	David Lloyd Leisure Centre, Baugh Road, Rectory Lane, Sidcup, Kent DA14 5ED	Health and Fitness Club
Reading	BK369613	Health and Fitness Club, Rectory Lane, Thames Valley Park, Reading, RG6 1PT	Health and Fitness Club
Bromsgrove	WR112762	David Lloyd Club, Blackwood Road, Slideslaw Drive, Bromsgrove, Worcestershire B60 1GJ	Leisure Club
Cardiff	WA746227	David Lloyd Club, Ipswich Road, Roath, Cardiff CF23 7AQ	Leisure Club
Milton Keynes	BM220880	David Lloyd Health and Fitness Club, Livingstone Green, Newlands, Milton Keynes, MK15 0DL	Leisure Club
Bushey	HD297806	Land at Hartspring Lane, Bushey, Watford, Herts WD23 2DL	Tennis Centre
Cheadle	GM713557	David Lloyd Sports Club, Royal Crescent, Cheadle Royal, Cheadle, Cheshire, SK8 3FL	Health and Fitness Club
Basildon	EX635676	David Lloyd Leisure Club, Festival Leisure Park, Pippys Hill Road South, Basildon, Essex SS14 3DG	Leisure Club
Lincoln (Burton Waters)	LL170454	David Lloyd Club, Saxilby Road, Lincoln LN1 2BE	Health and Fitness Club
Cheshire Oaks	CH391638	David Lloyd Leisure, Stanney Lane, Ellesmere Port, Cheshire CH65 5JN	Health and Fitness Club
Cheam	lease not yet granted	David Lloyd Leisure Club, Ewell Road, Cheam, Sutton, Surrey SM3 8DP	Health and Fitness Club
Swindon	WT250535	Plot 1, Swindon Gateway, Groundwell, SN25 4TB	Leisure Club

**Part 2 - Charged Securities**

<b>Acceding Company</b>	<b>Name of company in which shares are held</b>	<b>Class of shares held</b>	<b>Issued share capital</b>
None			

**David Lloyd Leisure Properties No. 4 Limited****Part 3 - Charged Accounts**

<b>Account Holder</b>	<b>Account Number</b>	<b>Account Bank</b>	<b>Account Bank branch address and sort code</b>
None			

**Part 4 - Intellectual Property**

Part 4A - Trade marks			
Proprietor/ADP number	TM number	Jurisdiction/apparent status	Mark text
None			

  

Part 4B - Patents		
Proprietor/ADP number	Patent number	Description
None		

**Part 5 - Material Contracts**

<b>Acceding Company</b>	<b>Date of Relevant Contract</b>	<b>Parties</b>	<b>Details of Relevant Contract</b>
None			

**Part 6 - Insurances**

<b>Acceding Company</b>	<b>Insurer</b>	<b>Policy number</b>
None		

**End of Schedule**



## **CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE**

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

**COMPANY NO. 6590299  
CHARGE NO. 1**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES  
HEREBY CERTIFIES THAT AN ACCESSION DEED DATED 15  
OCTOBER 2008 AND CREATED BY DAVID LLOYD LEISURE  
PROPERTIES NO.4 LIMITED FOR SECURING ALL MONIES DUE  
OR TO BECOME DUE FROM EACH PRESENT OR FUTURE  
MEMBER OF THE GROUP TO BANK OF SCOTLAND PLC (AS  
SECURITY AGENT FOR THE SECURED PARTIES) AND/OR THE  
OTHER SECURED PARTIES (OR ANY OF THEM) ON ANY  
ACCOUNT WHATSOEVER UNDER THE TERMS OF THE  
AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING  
THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1  
PART XII OF THE COMPANIES ACT 1985 ON THE 18 OCTOBER  
2008

GIVEN AT COMPANIES HOUSE, CARDIFF THE 21 OCTOBER  
2008

*plc 15*



**Companies House**  
— for the record —



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