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

*insert full name
of Company

COMPANIES FORM No. 395

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

[3][][][][][]

143742 | 104
06590299

Name of company

* DAVID LLOYD LEISURE PROPERTIES NO 4 LIMITED (the "Company")

Date of creation of the charge

3 November 2008

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

5
DEBENTURE (the "Deed")

Amount secured by the mortgage or charge

4 + 10
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 Obligor to the Security Agent ^{charge} 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 Deed), 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 Deed (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")

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

BANK OF SCOTLAND PLC (as security agent for the Secured Parties) (in such
capacity, the "Security Agent") of New Uberior House, 11 Earl Grey Street,
Edinburgh

Postcode EH3 9BN

Presenter's name address and
reference (if any)

Contact Denise Phillips
DLA Piper UK LLP
3 Noble Street
London
EC2V 7EE

68233 120377 21709376

Time critical reference

For official Use (02/06)
Mortgage Section

Post room

TUESDAY



AIVO34Q8

A17

11/11/2008

195

COMPANIES HOUSE

1. GRANT OF SECURITY

1.1 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
- (c) as continuing security for payment of the Secured Obligations

continued on Addendum 4/4

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in black type, or
bold block
lettering*

Particulars as to commission allowance or discount (note 3)

N/A

Signed

DLA Paper UK LLP

Date

10 November 2008

On behalf of ~~XXXXXX~~ [mortgagee/chargee] †

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

† delete as
appropriate

Notes

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

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* 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:

"Account" means each of:

- (a) the Additional Income Account,
- (b) the Covenant Cure Account,
- (c) the General Account,
- (d) the Hedging Proceeds Account,
- (e) the Insurance Proceeds Account,
- (f) the Mandatory Prepayment Account,
- (g) the Rent Account, and
- (h) the Tax Account,

(each as defined in the Facilities Agreement),

"Account Bank" means Bank of Scotland Plc,

"Assigned Assets" means the Security Assets expressed to be assigned pursuant to clause 4.2 (*Security assignments*) of the Deed,

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

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in London,

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

"Charged Properties" means such Real Property as is from time to time the subject of Transaction Security or in the case of any proposed Utilisation (as defined in the Facilities Agreement) will be the subject of that Security immediately following that Utilisation,

"Charged Securities" means

- (a) the securities specified in part 2 of the schedule hereto (*Details of Security Assets*), and

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- (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 November 2008) as at 3 November 2008 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 David Lloyd Leisure Properties No 1 Limited with CRN 06326072, David Lloyd Leisure Properties No 2 Limited with CRN 06590073, David Lloyd Leisure Properties No 3 Limited with CRN 06590088, David Lloyd Leisure Properties No 4 Limited with CRN 06590299, David Lloyd Leisure Properties Holdings No 1 Limited with CRN 6261288, David Lloyd Leisure Properties Holdings No 2 Limited with CRN 06326073, David Lloyd Leisure Properties Holdings No 3 Limited with CRN 06589946, David Lloyd Leisure Properties Holdings No 4 Limited with CRN 06589944,

"Collection Account" has the meaning given to that term in clause 11 7(ii) of the Deed,

"Debenture Security" means the Security created or evidenced by or pursuant to the 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 Facilities Agreement under clause 25 24 (*Acceleration*) of the Facilities Agreement,

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

"Disposal" means any sale, surrender, variation, transfer, assignment, lease, licence, loan, letting, charge, pledge, mortgage or other disposal (or agreement to effect any such transaction) whether voluntary or involuntary and including a compulsory purchase order of the whole or any part of

- (a) the Charged Properties,
- (b) any interest in the Charged Properties,
- (c) any entity owning a Charged Property,
- (d) any Borrower (as defined in the Facilities Agreement), or
- (e) any other asset charged by the Transaction Security Documents,

"Event of Default" means any event or circumstance specified as such in clause 25 (Events of Default) of the Facilities Agreement,

"Facilities Agreement" means the sterling term loan facilities agreement dated 26 September 2008 and made between (1) the companies set out in part 1 of schedule 1 to it as Borrowers (2) the companies set out in part 2 of schedule 1 to it as Guarantors (3) Bank of Scotland PLC as Arranger (4) the financial institutions set out in parts 3 and 4 of schedule 1 to it as Original Lenders (5) Bank of Scotland PLC as Agent and (6) Bank of Scotland PLC as Security Agent,

"Finance Document" means

- (a) each Account Letter,
- (b) the Facilities Agreement,
- (c) each Compliance Certificate,

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- (d) any Fee Letter,
 - (e) any Hedging Agreement,
 - (f) any Hedging Letter,
 - (g) the Intercreditor Deed,
 - (h) the Transaction Security Documents,
 - (i) each Utilisation Request, and
 - (j) the Scottish Law ranking agreement,
- (each as defined in the Facilities Agreement)
- (k) any other document designated as such by the Agent and a Borrower,

"General Account" means a current account

- (a) held by the Borrowers with the Account Bank (as defined in the Deed),
 - (b) identified in a letter between the Borrowers and the Agent as the General Account (as defined in the Facilities Agreement),
 - (c) subject to Transaction Security which Security is in form and substance satisfactory to the Agent and Security Agent (acting reasonably, having regard to the form of the Transaction Security Documents), and
 - (d) from which withdrawals may be made by the Borrowers while no Default (as defined in the Facilities Agreement) has occurred and is continuing,
- (as the same may be redesignated, substituted or replaced from time to time),

"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, the policies of insurance (if any) specified in part 5 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) of this definition,

(including, without limitation, the intellectual property rights (if any) specified in part 3 of the schedule hereto (*Details of Security Assets*)),

"Obligor" means

- (a) each Borrower,

Name of company

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* DAVID LLOYD LEISURE PROPERTIES NO 4 LIMITED (the "Company")

- (b) each Guarantor, and
- (c) each Shareholder (as defined in the Facilities Agreement),

"Permitted Security" means any Security

- (a) created under the Transaction Security Documents, or
- (b) comprising a lien arising by the operation of law in the ordinary course of its trading on its assets other than any Charged Property which is in any event discharged within thirty days, or
- (c) over the Property in Southampton created under a legal charge dated 20 June 2001 made between (1) David Lloyd Leisure Limited and (2) Southampton City Council,
- (d) over the Property in Newcastle created under a legal charge dated 18 September 1995 made between (1) Castledene Leisure Limited and (2) The Council of the City of Newcastle,
- (e) the PIK Facility Security (as defined in the Facilities Agreement),
- (f) created with the prior written consent of the Agent,

"Properties" means the Real Property listed in schedule 10 (The Properties) of the Facilities Agreement and each and every part of it,

"Real Property" means all estates and interests in freehold, leasehold and other immovable property (wherever situated) as at 3 November 2008 or in future belonging to any Charging Company, or in which any Charging Company has an interest at any time (including the registered and unregistered land (if any) in England and Wales specified in part 1 of the schedule hereto (*Details of Security Assets*)), together with

- (a) all buildings and fixtures (including trade fixtures) and fixed plant and machinery at any time thereon,
- (b) all easements, rights and agreements in respect thereof,
- (c) all proceeds of sale of that property, and
- (d) the benefit of all covenants given in respect thereof,

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

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

"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

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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 Facilities Agreement),
- (b) each Hedging Agreement (as defined in the Facilities Agreement), and
- (c) each agreement specified in part 4 of the schedule hereto (*Details of Security Assets*) as a "Material Contract",
- together with each other agreement supplementing or amending or novating or replacing the same,

"Rental Income" means all amounts arising from the letting, use or occupation of any Charged Property including (but without double counting)

- (a) rents, licence fees and equivalent sums reserved or made payable,
- (b) sums received from any deposit held as security for performance of any Tenant's (as defined in the Facilities Agreement) obligations,
- (c) any other moneys payable in respect of use and/or occupation,
- (d) any sum allowed or apportionment made in respect of rent in favour of the purchaser of any of the Charged Properties,
- (e) Loss of Rent Insurance Proceeds (as defined in the Facilities Agreement),
- (f) any VAT,
- (g) sums paid as reimbursement of expenses incurred or on account of expenses to be incurred in
- (i) the management, maintenance and repair of,
- (ii) the provision of services in respect of, and
- (iii) the payment of premiums and other costs associated with the insurance of,
- any of the Charged Properties,
- (h) proceeds paid for a breach of covenant under any Lease (as defined in the Facilities Agreement) of the Charged Properties and for expenses incurred in relation to any such breach,
- (i) any contribution to a sinking fund paid by a Tenant,
- (j) any contribution by a Tenant to ground rent due under any lease out of which any Owner (as defined in the Facilities Agreement) derives their interest in any of the Charged Properties,
- (k) any payment from a guarantor or other surety in respect of any of the items listed in this definition,
- (l) interest, damages or compensation in respect of any of the items in this definition,

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but excluding any Additional Income (as defined in the Facilities Agreement),

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

"Security" means a mortgage, charge, standard security, 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 November 2008 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,

"Transaction Security" means the Security created or expressed to be created in favour of the Security Agent pursuant to the Transaction Security Documents,

"Transaction Security Documents" means

- (a) a first and only fixed legal charge over the Charged Properties in England and Wales,
- (b) a first and only standard security over the Charged Properties in Scotland,
- (c) an assignation of Rental Income from the Charged Properties in Scotland,
- (d) a first and only fixed legal mortgage or charge over the Charged Properties in Northern Ireland,
- (e) an assignment of Rental Income from the Charged Properties in Northern Ireland,
- (f) a first and only debenture containing fixed and floating charges over all the assets and undertaking of each Obligor other than the Shareholders,
- (g) a first and only charge over each of the Accounts,
- (h) the Managing Agent's Deed (as defined in the Facilities Agreement),
- (i) a first and only fixed charge over all the shares in each Borrower,
- (j) a guarantee from each Guarantor of each Obligor's obligations under the Finance Documents,
- (k) any other document designated as such by the Agent and the Obligors' Agent (as defined in the Facilities Agreement),

and each of them in each case in favour of the Security Agent in the Agent's preferred form

SEE ATTACHED SCHEDULE

Name of company

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* DAVID LLOYD LEISURE PROPERTIES NO 4 LIMITED (the "Company")

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)

1.2 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)

2. FIXED SECURITY**2.1 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
 - (i) the Real Property (if any) specified in part 1 of the schedule hereto (Details of Security Assets), and
 - (ii) all other Real Property (if any) at 3 November 2008 vested in, or charged to, the Company (not charged by clause 4 1(a)(i) of the Deed),
- (b) by way of first fixed charge
 - (i) all other Real Property and all interests in Real Property (not charged by clause 4 1(a) of the Deed),
 - (ii) all licences to enter upon or use land and the benefit of all other agreements relating to land, and
 - (iii) the proceeds of Disposal of all Real Property,
- (c) by way of first fixed charge all plant and machinery (not charged by clause 4 1(a) or 4 1(b) of the Deed) and the benefit of all contracts, licences and warranties relating to the same,
- (d) by way of first fixed charge
 - (i) all computers, vehicles, office equipment and other equipment (not charged by clause 4 1(c) of the Deed), and
 - (ii) 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
 - (i) the Charged Securities referred to in part 2 of the schedule hereto (Details of Security Assets), and

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(ii) all other Charged Securities (not charged by clause 4 1(e)(i) of the Deed),

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

(i) each Account other than the General Account and all monies at any time standing to the credit of each such Account,

(ii) each Collection Account (not charged by 4 1(f)(i) of the Deed) and all monies at any time standing to the credit of the Collection Accounts,

(iii) all accounts of the Company other than the General Account with any bank, financial institution or other person at any time (not charged by clauses 4 1(f)(i) or 4 1(f)(ii) of the Deed) 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

(i) the Intellectual Property (if any) specified in part 3 of the schedule hereto (Details of Security Assets), and

(ii) all other Intellectual Property (if any) (not charged by clause 4 1(g)(i) of the Deed),

(h) to the extent that any Assigned Asset is not effectively assigned under clause 4 2 (Security Assignments) of the Deed by way of first fixed charge such Assigned Asset,

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

(i) 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

(ii) 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

2 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

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- (i) all Insurances specified in part 5 of the schedule hereto (Details of Security Assets), and
 - (ii) all other Insurances (not assigned by clauses 4 2(b) of the Deed),
- and all claims under the Insurances and all proceeds of the Insurances,
- (c) the Rental Income, all rights and remedies in connection with any Rental Income and all proceeds and claims arising from it to the extent not validly mortgaged or charged by clause 4 1(a) or clause 4 1(b) of the Deed, and
 - (d) all other Receivables (not assigned under clauses 4 2(a) or 4 2(b) of the Deed) (For the avoidance of doubt the Security Agent shall not be entitled to serve any notice of assignment in relation to an assignment of such Receivables until a Declared Default has occurred)

To the extent that any Assigned Asset described in clause 4 2(b) of the Deed 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

2.3 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. FLOATING CHARGE

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) of the Deed or any other provision of the Deed, and
- (b) (whether or not effectively so charged or assigned) heritable property and all other property and assets in Scotland

4. CONVERSION OF FLOATING CHARGE

4.1 Conversion by notice

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

- (a) a Declared Default has occurred, or
- (b) the Security Agent (acting reasonably) considers any Security Assets to be in actual danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy

4.2 Small companies

The floating charge created under the Deed 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

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* DAVID LLOYD LEISURE PROPERTIES NO 4 LIMITED (the "Company")

respect of the Company

4.3 Automatic conversion

The floating charge created under the Deed 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 created (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)

4.4 Scottish property

Clause 6 3 (Automatic conversion) of the Deed 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

4.5 Partial conversion

The giving of a notice by the Security Agent pursuant to clause 6 1 (Conversion by notice) of the Deed 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

5. CONTINUING SECURITY

5.1 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

5.2 Additional and separate security

The Deed 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

5.3 Right to enforce

The Deed may be enforced against each or 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

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6. LIABILITY OF CHARGING COMPANIES RELATING TO SECURITY ASSETS

Notwithstanding anything contained in the Deed 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.

7. UNDERTAKINGS BY THE CHARGING COMPANIES**7.1 Negative pledge and Disposals**

Except as expressly permitted by the 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 on any Security Asset, or
- (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 any Disposal permitted under the Facilities Agreement or to which clause 21.6 of the Facilities Agreement does not apply, in which case the Security Agent shall release the relevant asset from the security created by Transaction Security Documents upon such Disposal taking place. Provided that a Declared Default has not occurred, clause 11.1(b) of the Deed does not apply to disposals in the ordinary course of trading of the Company of a Security Asset, at which time of that disposal is subject to the floating charge created by the Deed.

7.2 Security Assets generally

The Company shall not, except with the prior written consent of the Security Agent, enter into any onerous or restrictive obligation affecting any of the Security Assets (except as expressly permitted under the Facilities Agreement).

8. SET-OFF**8.1 Set-off rights**

- (a) The Security Agent and each other Secured Party may (but shall not be obliged to) set off any matured obligation which is due and payable by the Company and unpaid (whether under the Finance Documents or which has been assigned to the Security Agent or such other Secured Party by the Company) against any matured obligation owed by the Security Agent or such other Secured Party to the Company, regardless of the place of payment, booking branch or currency of either obligation.
- (b) At any time after the Debenture Security has become enforceable (and in addition to its rights under clause 18.1(a) of the Deed), the Security Agent and each other Secured Party may (but shall not be obliged to) set-off any contingent liability owed by the Company under any Finance Document against any obligation (whether or not matured) owed by the Security Agent or such other Secured Party to the Company, regardless of the place of payment, booking branch or currency of either obligation.
- (c) If the obligations are in different currencies, the Security Agent or such other Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.
- (d) If either obligation is unliquidated or unascertained, the Security Agent or such other Secured Party may set off in an amount estimated by it in good faith and in consultation with the relevant Charging Company to be the amount of that

Name of company

*insert full name
of Company

* DAVID LLOYD LEISURE PROPERTIES NO 4 LIMITED (the "Company")

obligation

8.2 Time deposits

Without prejudice to clause 18 1 (Set-off) of the Deed, if any time deposit matures on any account which the Company has with the Security Agent or any other Secured Party at a time within the Security Period when

- (a) the Debenture Security has become enforceable, and
- (b) no Secured Obligation is due and payable,

such time deposit shall automatically be renewed for such further maturity as the Security Agent or such other Secured Party in its absolute discretion considers appropriate unless the Security Agent or such other Secured Party otherwise agrees in writing

9. FURTHER ASSURANCES

9.1 Further action

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 Deed or any other Transaction Security Document,
- (b) after this 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

- (i) the re-execution of the Deed or such Transaction Security Document,
 - (ii) the execution of any legal mortgage, charge, transfer, conveyance, assignment, assignment or assurance of any property, whether to the Security Agent or to its nominee, and
 - (iii) 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

9.2 Specific security

Without prejudice to the generality of clause 20 1 of the Deed, the Company will promptly upon request by the Security

Name of company

*insert full name
of Company

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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 Deed (including any fixed security arising or intended to arise pursuant to clause 6 (Conversion of floating charge) of the Deed)

10. 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 Deed, including under clause 20 (Further assurances) of the Deed or if no Declared Default has occurred following a failure to take steps to comply, within 10 Business Days, of a written request from the Security Agent 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.

SCHEDULE

Details of Security Assets

Part 1 - Real Property

Registered Land		
Charging Company	Address	Title number
David Lloyd Leisure Properties No 4 Limited	David Lloyd Club, Kidbrooke Park Road, London SE12 8HG	SGL483666
David Lloyd Leisure Properties No 4 Limited	David Lloyd Health and Fitness Club, Riverside Road, Pride Park, Derby DE24 8HY	DY295258
David Lloyd Leisure Properties No 4 Limited	David Lloyd Leisure Centre, Baugh Road, Rectory Lane, Sidcup, DA14 5ED	SGL50073
David Lloyd Leisure Properties No 4 Limited	Health and Fitness Club, 1 Rectory Lane, Thames Valley Park Drive, Thames Valley, Reading RG6 1PT	BK369613
David Lloyd Leisure Properties No 4 Limited	Blackwood Road, Slideslaw Drive, Bromsgrove, Worcestershire B60 1GJ	WR112762
David Lloyd Leisure Properties No 4 Limited	Ipswich Road, Roath, Cardiff CF23 7AQ	WA746227
David Lloyd Leisure Properties No 4 Limited	David Lloyd Health and Fitness Club, Livingstone Green, Newlands, Milton Keynes MK15 0DL	BM220880
David Lloyd Leisure Properties No 4 Limited	Hartspring Lane, Bushey, Watford, Herts WD23 2DL	HD297806
David Lloyd Leisure Properties No 4 Limited	David Lloyd Leisure Centre, Royal Crescent, Cheadle Royal, Cheadle, Cheshire SK8 3FL	GM713557
David Lloyd Leisure Properties No 4 Limited	David Lloyd Leisure Club, Festival Leisure Park, Pipp's Hill Road South, Basildon, Essex SS14 3DG	EX635676
David Lloyd Leisure Properties	David Lloyd Club, Saxilby Road, Lincoln LN1 2BE	LL170454

No 4 Limited		
David Lloyd Leisure Properties No 4 Limited	Land on the south westerly side of Stanney Lane, Ellesmere Port, Cheshire CH65 5JN	CH391638
David Lloyd Leisure Properties No 4 Limited	David Lloyd Leisure Club, Ewell Road, Cheam, Sutton, Surrey SM3 8DP	Lease of the entire site dated 26 September 2008 made between (1) The Governors of Nonsuch High School for Girls, and (2) David Lloyd Leisure Limited
David Lloyd Leisure Properties No 4 Limited	Plot 1, Swindon Gateway, Groundwell, Swindon SN25 4TB	WT250535
Unregistered Land		
Charging Company	Address	Document describing the Real Estate Property
		<div>Date</div> <div>Document</div> <div>Parties</div>

Part 2 - Charged Securities

None

Part 3 - Intellectual Property

None

Part 4 - Material Contracts

None

Part 5 - Insurances

Type of cover	Insurer	Policy Number
UK		
Buildings	Allianz Insurance Plc	75/SP15764233/07
Loss of Rent Receivable from the Opco Group	Allianz Insurance Plc	75/SP15764233/07
Loss of Head Rents Payable	Allianz Insurance Plc	75/SP15764233/07
Property Owners Liability (to include	Allianz Insurance	75/SP15764233/07

Type of cover	Insurer	Policy Number
UK		
Liability cover for Development sites)	Plc	
Engineering Inspection	Allianz Engineering	NV/15918789
Terrorism (Buildings) (excludes Belfast)	Allianz Insurance Plc	75/SP15764233/07
Terrorism (Loss of Rent) (excludes Belfast)	Allianz Insurance Plc	75/SP15764233/07



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

**COMPANY NO. 6590299
CHARGE NO. 3**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES
HEREBY CERTIFIES THAT A DEBENTURE DATED 3 NOVEMBER
2008 AND CREATED BY DAVID LLOYD LEISURE PROPERTIES
NO.4 LIMITED FOR SECURING ALL MONIES DUE OR TO
BECOME DUE FROM EACH OBLIGOR TO BANK OF SCOTLAND
PLC THE SECURITY AGENT 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 11 NOVEMBER 2008

GIVEN AT COMPANIES HOUSE, CARDIFF THE 11 NOVEMBER
2008

Mark



Companies House
— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES