

MR01

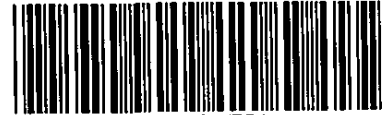
Particulars of a charge

102544/23
laserform



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www.gov.uk/companieshouse

A fee is be payable with
Please see 'How to pay'



A06 06/12/2016 #216
COMPANIES HOUSE

☒ **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 the
instrument Use form MR

TUESDAY

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 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. This will be scanned and placed on the public record. **Do not send the original.**

1

Company details

Company number 1 0 4 1 6 5 3 1
Company name in full PegasusLife Development (Westminster) Limited

2 For official use

→ **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 d0 d1 m1 m2 y2 y0 y1 y6

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 Deutsche Bank AG, London Branch as security agent
and security trustee for the Secured Parties

Name (as defined in the accompanying copy instrument)

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

All present and future freehold and leasehold land and all Intellectual Property pursuant to clause 3 of the accompanying copy 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 Simon & James LLP

[RCAW]

[02/12/16]

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 Amanda Gardam (004586-00007)

Company name Simmons & Simmons LLP

Address CityPoint

One Ropemaker Street

Post town London

County/Region

Postcode EC2Y 9SS

Country United Kingdom

DX DX Box No 12 Chancery Lane London

Telephone 020 7825 4815



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 £23 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.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

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



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 10416531

Charge code: 1041 6531 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 1st December 2016 and created by PEGASUSLIFE DEVELOPMENT (WESTMINSTER) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 6th December 2016

Given at Companies House, Cardiff on 13th December 2016



Companies House



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

EXECUTION COPY

Security Agreement

between

PegasusLife Development Limited
as Borrower

PegasusLife Development (Westminster) Limited
as Original Chargor

and

Deutsche Bank AG, London Branch
as Senior Security Agent

WE CERTIFY THAT THIS COPY
INSTRUMENT IS A CORRECT COPY
OF THE ORIGINAL INSTRUMENT.

Simmons & Simmons
Signed (firm name)

STK
Initials of Signatory

21.12.16
Dated (DD/MM/YY)

Simmons & Simmons

Simmons & Simmons LLP CityPoint One Ropemaker Street London EC2Y 9SS United Kingdom
T +44 20 7628 2020 F +44 20 7628 2070 DX Box No 12

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THIS DEED is dated 01. December 2016 and made

BETWEEN:

- (1) **PEGASUSLIFE DEVELOPMENT LIMITED** registered in England and Wales (registered number 9340939) and having its registered office at Royal Court, Church Green Close, Kings Worthy, Winchester, Hampshire, SO23 7TW (the "Borrower"),
- (2) **PEGASUSLIFE DEVELOPMENT (WESTMINSTER) LIMITED**, registered in England and Wales (registered number 10416531) whose registered office is at Royal Court, Church Green Close, Kings Worthy, Winchester, Hampshire, SO23 7TW (an "Original Chargor"), and
- (3) **DEUTSCHE BANK AG, LONDON BRANCH**, (the "Senior Security Agent" which expression includes its successors and assigns as security agent and security trustee for the Secured Parties)

BACKGROUND:

- (A) Each Chargor is entering into this Deed in connection with the Finance Documents
- (B) It is intended that this document takes effect as a deed even though a Party may only execute it under hand

IT IS AGREED as follows

1 Interpretation

1.1 Definitions

- (A) The provisions of Clause 34 (*Notices*) of the Facility Agreement shall apply, with any necessary amendments, in this Deed
- (B) Terms defined in the Facility Agreement have, unless the context otherwise requires the same meaning when used in this Deed unless given a different meaning in this Deed, and in this Deed

"Additional Chargor" means a person who becomes a Chargor by executing a Deed of Accession

"Assigned Contracts" means

- (A) the Equity Contribution Agreement,
- (B) the Operating Agreement,
- (C) the Licence,
- (D) each Hedging Agreement,
- (E) each Unit Disposal Document,
- (F) each contract in respect of any disposal of any Security Asset,
- (G) each Lease Document,

- (H) the Management Agreement,
- (I) each Development Document,
- (J) any agreement between a Healthcare Services Provider in relation to Healthcare Services to be provided by such Healthcare Services Provider,
- (K) any agreement specified in the relevant Part of the schedule to a Deed of Accession by which an Additional Chargor became a party to this Deed, and
- (L) any other agreement with to which a Chargor is a party and which the Senior Security Agent has designated as an Assigned Contract,

in each case including any guarantees or sureties entered into in respect of them

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

"Borrower" means PegasusLife Development Limited registered in England and Wales (registered number 09340939)

"Business" means the business of property development carried on by each Chargor

"Charged Property" means all of the undertakings, property, assets, rights and revenues of the Chargors (whether present or future) which from time to time are, or expressed to be, subject to the Security created or expressed to be created in favour of the Senior Security Agent by or pursuant to this Deed, any Supplemental Mortgage or any Deed of Accession

"Chargor" means an Original Chargor or any Additional Chargor

"Deed of Accession" means a document substantially in the form of Schedule 7 (*Form of Deed of Accession*)

"Delegate" means any delegate, agent, attorney, co-trustee or sub delegate appointed under Clause 18 (*Delegation*)

"Equipment" means all plant and machinery, fixtures, fittings, furniture, furnishings, equipment and chattels on the Mortgaged Property, including any manuals in relation to the same

"Equity Contribution Agreement" means the equity contribution agreement dated on or about the date of this Deed between Oaktree European Principal Fund III, LP, Oaktree European Principal Fund III (Parallel), LP and the Borrower pursuant to which certain facilities are to be made available to the Borrower by Oaktree European Principal Fund III, LP and Oaktree European Principal Fund III (Parallel), LP

"Facility Agreement" means the facility agreement dated on or about the date of this Deed between, inter alia, the Borrower (a Chargor under this Deed), the Lenders named in it, the Senior Facility Agent and the Senior Security Agent as amended, restated supplemental or novated from time to time

"Finance Party" means the Senior Facility Agent, the Senior Security Agent, the Senior Collateral Administrator, the Senior Arranger and the Lenders

"Intellectual Property" means

- (A) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered, and
- (B) the benefit of all applications and rights to use such assets of each Chargor (which may now or in the future subsist)

"Investments" means any securities and investments of any kind (including shares, stock, debentures, units, depositary receipts, bonds, notes, commercial paper and certificates of deposit), warrants, options or other rights to subscribe for, purchase or otherwise acquire securities and investments now or in the future owned by each Chargor or (to the extent of its interest) in which it now or in the future has any interest

"Lease Document" means

- (A) an Agreement for Occupational Lease,
- (B) an Agreement for Concurrent Lease,
- (C) an Agreement for Residential Underlease,
- (D) a Concurrent Lease,
- (E) a Headlease,
- (F) an Occupational Lease, or
- (G) a Residential Underlease

"Licence" means a royalty-free licence to use any intellectual property necessary to operate the Borrower's business, including (but not limited to) any trade names or marks, computer system, databases or software

"LPA" means the Law of Property Act 1925

"Mortgaged Property" means each Original Property, any Supplemental Property and any leasehold or freehold property specified in Part 1 of the schedule (*Mortgaged Property*) to a Deed of Accession and any other leasehold or freehold property in respect of which any Development Document shall apply

"Operating Account" means an account of a DevCo with an Account Bank designated "Operating Account", sort code 20-00-00 and any successor account permitted in accordance with Clause 17 (*Bank Accounts*) of the Facility Agreement

"Operating Agreement" means the operating services agreement dated on or about the 30 June 2015 and as amended on or about 03 November 2016 both between the Borrower and Pegasus Life Limited as service provider, pursuant to which Pegasus Life Limited provides certain operational and other services to the Borrower and the Chargor

"Original Property" means each property listed in Schedule 1 (*Properties*) to a Security Agreement dated 30 June 2015 and made between the Borrower and the Senior Security Agent

"Party" means a party to this Deed

"Receiver" means a receiver or manager or administrative receiver of the whole or any part of the Charged Property, appointed by the Senior Security Agent under this Deed or any Supplemental Mortgage, whether sole, joint and/or several and including any substitute

"Related Rights" means, in relation to any asset

- (A) the proceeds of sale of any part of that asset or any part of any Mortgaged Property,
- (B) all rights under any licence, agreement for sale or agreement for lease in respect of that asset,
- (C) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of that asset,
- (D) all monies and proceeds paid or payable in respect of that asset,
- (E) in relation to a Mortgaged Property, each and every part of that Mortgaged Property, including the land, cellars, eaves, buildings, structures, fixtures and fittings (including such trade fixtures and fittings, furnishings and Equipment in which a Chargor has an interest) now or in the future on that property and all easements and other rights attaching to that property, and
- (F) in relation to a Mortgaged Property, the benefit of any undertakings, servitudes, covenants or warranties in respect of that property or any moneys paid or payable in respect of those undertakings, servitudes, covenants or warranties,

including all rights against any trustee, nominee, fiduciary or clearing system

"Report" means any building, measurement, environmental, purchase survey summary, sustainability review or other report relating to a Collateral Asset, or any letter of reliance in relation to such report, and addressed to a Chargor or on which a Chargor may rely

"Secured Liabilities" means all present and future monies, debts, liabilities and obligations due, owing or incurred by the Chargors and/or Borrower to the Secured Parties on any account whatsoever (in each case whether alone or jointly, or jointly and severally, with any other person), whether actually or contingently and whether as principal, surety or otherwise

"Secured Party" means a Finance Party, a Receiver or any 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 Period" means the period beginning on the date of this Deed and ending on the date on which all the Secured Liabilities have been irrevocably paid in full and that all facilities which might give rise to any Secured Liabilities have been terminated

"Supplemental Mortgage" means a supplemental mortgage substantially in the form set out in Schedule 2 (*Form of Supplemental Mortgage*)

"Supplemental Property" means any interest in land (whether leasehold or freehold) which is acquired or financed after the date of this Deed and which is the subject of a Supplemental Mortgage

"Transaction Security" means the Security created or expressed to be created in favour of the Senior Security Agent pursuant to this Deed, any Supplemental Mortgage or any Deed of Accession

1.2 Construction

- (A) Unless a contrary indication appears, a reference in this Deed to
- (1) any "Party" or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees,
 - (2) "assets" includes present and future properties, revenues and rights of every description,
 - (3) a "Finance Document" or any other agreement or instrument is a reference to that Finance Document (including the Facility Agreement) 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 under that Finance Document or other agreement or instrument,
 - (4) "indebtedness" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent,
 - (5) a "person" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality),
 - (6) a "regulation" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation,
 - (7) a provision of law is a reference to that provision as amended or re-enacted,
 - (8) a time of day is a reference to London time, and
 - (9) "Charged Property" includes any part of that Charged Property and the proceeds of that Charged Property
- (B) Clause and Schedule headings are for ease of reference only
- (C) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Deed
- (D) Unless the context otherwise requires, each of the undertakings given by each Chargor in this Deed remain in force from the date of this Deed until the end of the Security Period
- (E) Each representation and warranty expressed to be made by each Chargor in this Deed is made by that Chargor on the date of this Deed and is deemed to be repeated on each day during the Security Period by reference to the facts and circumstances then existing

1 3 **Disposition of property**

The terms of the other Finance Documents and of any agreement, document or side letter between the Parties are incorporated into this Deed to the extent required for any purported disposition of all or any part of any freehold or leasehold property contained in this Deed to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989

1 4 **Joint and several Chargors**

Where two or more persons purport to create a charge over a Charged Property under this deed then

- (A) they (or such of them as have the joint interest in the relevant Charged Property) shall be deemed to have jointly mortgaged, charged and/or assigned, as appropriate, their joint interest in the relevant Charged Property,
- (B) each person shall be deemed to have mortgaged, charged and/or assigned, as appropriate, its individual interest (if any) in the relevant Charged Property, and
- (C) each person shall be deemed to have confirmed the charge granted by the others

1 5 **Third party rights**

- (A) Unless expressly provided to the contrary in a Finance Document a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "Third Parties Act") to enforce or enjoy the benefit of any term of this Deed or any Supplemental Mortgage
- (B) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Deed or any Supplemental Mortgage at any time
- (C) Any Receiver or Delegate may subject to this Clause 1 5 (*Third party rights*) and the Third Parties Act, rely on any clause of this Deed or any Supplemental Mortgage which expressly confers rights on it

2 **Covenant to pay**

Each Chargor shall pay each of the Secured Liabilities when due or if they do not specify a time, on demand.

3 **Creation of Security**

3 1 **Security generally**

All the Transaction Security

- (A) is created in favour of the Senior Security Agent,
- (B) is created over the present and future assets of Chargors,
- (C) is security for the payment of all the Secured Liabilities, and
- (D) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994

3 2 Land

(A) Each Chargor charges

- (1) by way of a first legal mortgage all estates or interests in its Mortgaged Property and all rights under any licence or other agreement or document which gives the Chargor a right to occupy or use that Mortgaged Property,
- (2) (to the extent that they are not the subject of a legal mortgage under Clause 3 2(A)(1)) (*Land*) by way of first fixed charge all estates or interests in any freehold or leasehold property now or in the future owned by it and all rights under any licence or other agreement or document which gives the Chargor a right to occupy or use that property, and
- (3) all Related Rights in respect of the above

3 3 Lease Documents

Each Chargor assigns absolutely to the Senior Security Agent, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities, all of its rights and interests in and to each Lease Document (including all rental income and any guarantee of rental income contained in or relating to any Lease Document)

3 4 Contracts

- (A) Each Chargor assigns absolutely to the Senior Security Agent, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities, all of its rights and interests under each Assigned Contract
- (B) To the extent that any such right described in Clause 3 4(A) (*Contracts*) above is not capable of assignment, the assignment of that right purported to be effected by Clause 3 4(A) (*Contracts*) above shall operate as an assignment of any damages, compensation, remuneration, profit, rent or income which a Chargor may derive from that right or be awarded or entitled to in respect of that right
- (C) To the extent that they do not fall within any other part of this sub-clause or are not effectively assigned under Clauses 3 4(A) or 3 4(B) (*Contracts*) above, each Chargor charges by way of first fixed charge all of its rights under each such agreement or document to which it is a party
- (D) If a Chargor assigns an agreement or document under this Deed or any Supplemental Mortgage (or charges it) and the assignment or charge breaches a term of that agreement or document because a third party's consent has not been obtained
 - (1) that Chargor must notify the Senior Security Agent immediately upon becoming so aware,
 - (2) unless the Senior Security Agent otherwise requires, that Chargor shall use reasonable endeavours to obtain the consent as soon as practicable, and
 - (3) that Chargor must promptly supply to the Senior Security Agent a copy of the consent obtained by it

3 5 Intellectual Property

Each Chargor charges by way of first fixed charge all the Intellectual Property

3.6 Accounts

Each Chargor charges by way of a first fixed charge all of its rights in respect of any amount standing to the credit of the accounts it has with any person and the debt represented by such account, including without limitation the Operating Account

3.7 Investments

- (A) Each Chargor charges by way of a first fixed charge all of its rights and interests in its Investments
- (B) A reference in this Deed to any mortgage or charge of any Investments includes
 - (1) any dividend or interest paid or payable in relation to it,
 - (2) any right, money or property accruing or offered at any time in relation to it by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise,
 - (3) any right against any clearance system in relation to it; and
 - (4) any right under any custodian or other agreement in relation to it

3.8 Book debts etc.

Each Chargor charges by way of a first fixed charge

- (A) all of its book and other debts,
- (B) all other monies due and owing to it, and
- (C) the benefit of all rights, securities or guarantees of any nature enjoyed or held by it in relation to any item under Clause 3.8(A) and Clause 3.8(B) (*Book debts etc*) above

3.9 Insurances

- (A) Each Chargor assigns absolutely to the Senior Security Agent, subject to a proviso for re-assignment on redemption, all of its rights in respect of any contract or policy of insurance taken out by it or on its behalf or in which it has an interest and the proceeds payable under any such contract or policy of insurance
- (B) To the extent that any such right described in Clause 3.9(A) (*Insurances*) is not capable of assignment, the assignment of that right purported to be effected by Clause 3.9(A) shall operate as an assignment of any damages, compensation, remuneration, profit, rent or income which the relevant Chargor may derive from that right or be awarded or entitled to in respect of that right
- (C) To the extent that they do not fall within any other part of this Clause 3.9 (C) or are not effectively assigned under Clause 3.9(A) or 3.9(B) (*Insurances*), the relevant Chargor charges by way of first fixed charge all of its rights under each agreement or document to which it is a party, subject to a proviso for re-assignment on redemption

3 10 Equipment

Each Chargor charges by way of a first fixed charge all the fixed and moveable Equipment, its interest in any Equipment in its possession and the benefit of all related Authorisations, agreements and warranties

3 11 Authorisations

Each Chargor charges by way of first fixed charge the benefit of all Authorisations held now or in the future by it in relation to any Charged Property and/or the Business of the Chargor, together with the right to recover and receive compensation which may be payable to it in respect of any Authorisation

3 12 Pension fund

Each Chargor charges by way of first fixed charge any beneficial interest, claim or entitlement it has in any pension fund

3 13 Goodwill and Business

Each Chargor charges by way of first fixed charge its goodwill and business

3 14 Uncalled capital

Each Chargor charges by way of first fixed charge its uncalled capital

3 15 Reports

Each Chargor charges by way of first fixed charge all of its rights, title, interest and benefit in and to each Report

3 16 Causes of action

Each Chargor assigns to the Senior Security Agent by way of security all of its rights in respect of all causes of action and other rights and remedies in which it has an interest, in so far as these relate to its business, including, without limitation, any VAT recoveries

3 17 Floating charge

- (A) Each Chargor charges by way of first floating charge its undertaking and assets, both present and future not otherwise effectively mortgaged or charged under this Deed
- (B) The floating charge created by each Chargor pursuant to Clause 3 17(A) (*Floating Charge*) is a "qualifying floating charge" for the purposes of paragraph 14 of Schedule B1 to the Insolvency Act 1986
- (C) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to this Deed and the Senior Security Agent may appoint an administrator to each Chargor pursuant to that paragraph
- (D) The Senior Security Agent may convert the floating charge created by this Deed over all or any of the Charged Property into a fixed charge by notice to each Chargor specifying the relevant Charged Property (either specifically or generally)

- (1) while an Event of Default has occurred and is continuing, and/or

- (2) if the Senior Security Agent acting on the instructions of the Majority Lenders reasonably considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process

(E) If

- (1) any Chargor takes any step to create any Security in breach of Clause 7.1 (*Security*) over any of the Charged Property not subject to a mortgage or fixed charge,
- (2) an administrator is appointed or the Senior Security Agent receives notice of an intention to appoint an administrator in respect of any Chargor, or
- (3) any person takes any step to effect any expropriation, attachment, sequestration, distress or execution against any of the Charged Property,

the floating charge over the relevant Charged Property shall automatically and immediately be converted into a fixed charge

4 Continuing Security

4.1 Continuing Security

The Transaction Security created, or expressed to be created, by this Deed or any Supplemental Mortgage is a continuing security and will extend to the ultimate balance of the Secured Liabilities, regardless of any intermediate payment or discharge in whole or in part

4.2 Additional security

The Transaction Security created, or expressed to be created, by this Deed or any Supplemental Mortgage

- (A) is in addition to, and is not in any way prejudiced by, any other Security or other right now or subsequently held by any Finance Party; and
- (B) may be enforced against each Chargor without having recourse to any other rights of any Finance Party

4.3 Survival of Obligations

The payment obligations of the Borrower under the Finance Documents shall survive the enforcement of the whole or any part of the Charged Property

5 Perfection

5.1 Land

In the case of each Chargor's Mortgaged Property, each Chargor shall:

- (A) promptly and in any event within any applicable priority period, apply to the Land Registry to register the Transaction Security created or expressed to be created by this Deed or any Supplemental Mortgage,
- (B) at the same time as the application referred to in Clause 5.1(A) (*Land*) submit to the Land Registry the duly completed form RX1 (or such other form as may be

prescribed from time to time) to enter the following restriction on the register of title to that freehold or leasehold property

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered Charge, not being a Charge registered before the entry of this restriction is to be registered without a written consent signed by the proprietor for the time being of the charge dated _____ in favour of [insert name of Senior Security Agent] referred to in the Charges Register (or its conveyancer) "

- (C) promptly submit to the Land Registry a duly completed application to enter the obligation to make further loans or advances on the charges register of any registered land forming part of the Security Assets, and
- (D) promptly pay all appropriate registration fees.

5 2 Acquisitions

- (A) If any Chargor (by enforcement or otherwise) acquires any freehold or leasehold property after the date of this Deed it shall
 - (1) notify the Senior Security Agent immediately,
 - (2) promptly on request by the Senior Security Agent and at the cost of that Chargor, execute and deliver to the Senior Security Agent a legal mortgage in favour of the Senior Security Agent of that freehold or leasehold property in substantially the same form as the form of Supplemental Mortgage set out in Schedule 2 (*Form of Supplemental Mortgage*), together with such constitutional documents, corporate authorisations and other matters as the Senior Security Agent may reasonably require to verify that such document constitutes that Chargor's legal, valid, binding and enforceable obligations,
 - (3) if title to that freehold or leasehold property is registered at the Land Registry or is required to be so registered, promptly and in any event within any applicable priority period, apply to the Land Registry
 - (a) for first registration of that freehold or leasehold property (where that freehold or leasehold property is not already registered at the Land Registry) and registration of that Chargor as the registered proprietor of that freehold or leasehold property,
 - (b) to register the Transaction Security created or expressed to be created by this Deed or any document entered into pursuant to Clause 5 2(A)(2) (*Acquisitions*),
 - (c) submit to the Land Registry a duly completed form RX1 requesting a restriction to be entered on the register of title for that freehold or leasehold property,
 - (d) promptly submit to the Land Registry a duly completed application to enter the obligation to make further loans or advances on the charges register of any registered land forming part of the Charged Property, and
 - (e) promptly pay all appropriate registration fees

- (B) If the consent of the landlord in whom the reversion of a lease is vested is required for the relevant Chargor to execute a legal mortgage over it, that Chargor will not be required to perform that obligation unless and until it has obtained the landlord's consent. The Chargor must use its reasonable endeavours to obtain the landlord's consent.

5.3 Deposit of title deeds

All deeds and documents of title relating to any Mortgaged Property and all local land charges, land charges and Land Registry search certificates and similar documents received by or on behalf of the relevant Chargor will, subsequent to completion of registration at the Land Registry, from the date of this Deed until the expiry of the Security Period, be held to the Senior Security Agent's order by that Chargor's solicitors.

5.4 Investigation of title

Upon the occurrence of a Default, the relevant Chargor shall grant the Senior Security Agent or its lawyers on request on reasonable notice all facilities within its power to enable the Senior Security Agent or its lawyers (at the expense of that Chargor) to

- (A) carry out investigations of title to any Mortgaged Property, and
- (B) make such enquiries in relation to any part of any Mortgaged Property as a prudent mortgagee might carry out.

5.5 Title Information Document

On completion of the registration of any Transaction Security in respect of its Mortgaged Property, the relevant Chargor shall promptly supply to the Senior Security Agent a copy of the title information document issued by the Land Registry.

5.6 Power to remedy

Each Chargor shall permit the Senior Security Agent and/or any of its Delegates, when the Senior Security Agent believes (acting on the instructions of the Senior Facility Agent, themselves acting reasonably) that a Default has occurred or might reasonably be expected to occur, to enter any Mortgaged Property and to take any steps which it believes necessary in relation to that Mortgaged Property. Each Chargor shall immediately on demand by the Senior Security Agent pay the costs and expenses of the Senior Security Agent, and its Delegate properly incurred in connection with any action taken under this Clause 5.6 (*Power to remedy*).

5.7 Notice of charge or assignment

- (A) Each Chargor shall immediately serve a notice of charge or assignment, substantially in the applicable form as set out in the relevant schedule to this Deed, on
 - (1) each bank or financial institution at which the Chargor maintains any accounts,
 - (2) each counterparty to an Assigned Contract;
 - (3) each of its insurers, or
 - (4) any tenant or counterparty under any Lease Document.

- (B) The Chargors shall use reasonable endeavours to ensure that each person on whom notice is served under paragraph (A) above acknowledges receipt of that notice, substantially in the applicable form as set out in the relevant schedule to this Deed
- (C) Entry into this Deed by the Chargor that is party to an Assigned Contract constitutes notice to it of the Transaction Security created or expressed to be created by this Deed over such Assigned Contract and the Chargor, by entering into this Deed, acknowledges receipt of such notice

6 Further assurance

- (A) Each Chargor shall (at its own cost) promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Senior Security Agent (acting on the instructions of the Senior Facility Agent) may reasonably specify (and in such form as the Senior Security Agent may require (acting on the instructions of the Senior Facility Agent, itself acting reasonably) in favour of the Senior Security Agent or its nominee(s))
 - (1) to perfect the Security created or intended to be created under or evidenced by this Deed (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of Transaction Security) or for the exercise of any rights, powers and remedies of the Senior Security Agent or the Finance Parties provided by or pursuant to the Finance Documents or by law, or
 - (2) (after an Event of Default under the Facility Agreement) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Transaction Security
- (B) Each Chargor shall, upon the written request of the Senior Security Agent (acting as directed by the Senior Facility Agent), 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 Senior Security Agent or the Finance Parties by or pursuant to the Finance Documents

7 Restrictions on dealing

7.1 Security

Except as expressly permitted by the terms of the Finance Documents, or with the prior written consent of the Senior Security Agent (acting as directed by the Senior Facility Agent), the Chargor shall not create or permit to subsist any Security over any Charged Property, nor do anything else prohibited by Clause 12 (*Negative pledge*) except as permitted by that clause

7.2 Disposals

No Chargor shall (or agree to) enter into a single transaction or series of transactions (whether related or not and whether voluntary or involuntary) which breaches the terms of Clause 23.1 (*Disposals*) of the Facility Agreement

8 Representations

8.1 Each Chargor represents and warrants to the Senior Security Agent (for the benefit of each Finance Party) on the date of this Deed or any Supplemental Mortgage that, subject to the Legal Reservations, this Deed and any Supplemental Mortgage

- (A) creates (or, once entered into, will create) in favour of the Senior Security Agent, the Security which it is expressed to create and with the ranking and priority it is expressed to have,
- (B) is not subject to any prior or pari passu ranking Security, other than as permitted under the Facility Agreement, and
- (C) is not liable to be avoided or set aside on its liquidation, administration or otherwise, and that
- (D) it is the absolute legal and beneficial owner of all the Charged Property over which this Deed purports to create any Security, and
- (E) the Charged Property was acquired at market value

8.2 Each of the representations made in this Clause 8 (*Representations*) are deemed to be made by a Chargor by reference to the facts and circumstances then existing on the date of each Utilisation Request, on each Utilisation Date and each Interest Payment Date

9 Investments

9.1 Investments

Each Chargor represents and warrants to the Senior Security Agent for the benefit of each Finance Party that

- (A) its Investments are duly authorised, validly issued and fully paid and are not subject to any option to purchase or similar right,
- (B) the constitutional documents of the issuer(s) of the Investments do not and could not restrict or inhibit the transfer of those Investments on creation or the enforcement of the Transaction Security,
- (C) it is the sole legal and beneficial owner of the Investments,
- (D) there are no agreements in force which provide for the issue or allotment of, or grant any person the right to call for the issue or allotment of, any share or loan capital of any issuer of the Investments (including any option or right of pre-emption or conversion), and
- (E) the Investments are the entire issued share capital of the issuer of those Investments

9.2 Certificated Investments

Each Chargor shall on the date of this Deed (or in the case of any certificated Investments acquired after the date of this Deed, as soon as possible after that acquisition)

- (A) immediately deposit with the Senior Security Agent, or as the Senior Security Agent may direct, any bearer instrument, share certificate or other document of title or evidence of ownership in relation to its Investments, and
- (B) promptly take any action and execute and deliver to the Senior Security Agent any share transfer or other document which may be requested by the Senior Security Agent in order to enable the transferee to be registered as the owner or otherwise obtain a legal title to its Investments, this includes
 - (1) delivering executed and (unless exempt from stamp duty) pre-stamped share transfers in favour of the Senior Security Agent or any of its nominees as transferee or, if the Senior Security Agent so directs, with the transferee left blank, and
 - (2) procuring that those share transfers are registered by the issuer of the Investments and that share certificates in the name of the transferee are delivered to or as directed by the Senior Security Agent when required

9 3 **Changes to rights**

No Chargor may take or allow the taking of any action on its behalf which may result in the rights attaching to any of its Investments being altered or further Investments being issued

9 4 **Calls**

Each Chargor shall pay all calls or other payments due and payable in respect of its Investments

9 5 **Other obligations in respect of Investments**

- (A) Each Chargor shall comply with all other conditions and obligations assumed by it in respect of any Investments
- (B) The Senior Security Agent is not obliged to
 - (1) perform any obligation of a Chargor,
 - (2) make any payment,
 - (3) make any enquiry as to the nature or sufficiency of any payment received by it or a Chargor, or
 - (4) present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under this Deed,
 in respect of any Investments

9 6 **Voting rights before enforcement**

- (A) Subject to Clause 9 7 (*Voting rights after enforcement*), each Chargor may continue to exercise the voting rights, powers and other rights in respect of its Investments but only to the extent that it does so for a purpose not inconsistent with any Finance Document and the exercise of or failure to exercise those rights would not prejudice the interests of any Finance Party

- (B) Subject to Clause 9.7 (*Voting rights after enforcement*), all dividends or other income or distributions paid or payable in relation to any Investments shall be paid in accordance with the provisions of the Finance Documents

9.7 Voting rights after enforcement

- (A) Following the occurrence of an Event of Default which is continuing, the Senior Security Agent or its nominee may exercise or refrain from exercising (on the instructions of the Majority Lenders)

(1) any voting rights, and

(2) any other powers or rights which may be exercised by the legal or beneficial owner of any Investments, any person who is the holder of any Investments or otherwise,

in each case, in the name of the relevant Chargor, the registered holder or otherwise and without any further consent or authority on the part of the relevant Chargor and irrespective of any direction given by the relevant Chargor

- (B) To the extent that the Investments remain registered in the name of the relevant Chargor, that Chargor irrevocably appoints the Senior Security Agent or its nominee as its proxy to exercise all voting rights in respect of those Investments at any time after this Security has become enforceable

- (C) Each Chargor shall indemnify the Senior Security Agent against any loss or liability incurred by the Senior Security Agent as a consequence of the Senior Security Agent acting in respect of Investments on the direction of the relevant Chargor

10 Book debts

- (A) Each Chargor shall get in and realise its

(1) securities to the extent held by way of temporary investment,

(2) book and other debts and other monies owed to it, and

(3) royalties, fees and income of any nature owed to it,

in the ordinary course of its business and hold the proceeds of the getting in and realisation (until payment into an account in accordance with Clause 10(B) (*Book debts*) below but subject always to the Security created by or expressed to be created by this Deed) on trust for the Senior Security Agent

- (B) Each Chargor shall, except to the extent that the Senior Security Agent otherwise agrees, pay all the proceeds of the getting in and realisation into the account designated from time to time by the Senior Security Agent (acting on the instructions of the Majority Lenders)

11 Bank accounts

11.1 Restrictions on accounts

The only accounts of the Chargors shall be the Operating Accounts, unless otherwise permitted pursuant to the Finance Documents

11 2 **Withdrawals from accounts**

The Chargors shall only withdraw amounts from the Operating Accounts in accordance with the terms of the Facility Agreement

11 3 **Notices of charge**

- (A) Each Chargor shall immediately serve a notice of charge or assignment, substantially in the applicable form as set out in the relevant Schedule to this Deed, or as may otherwise be agreed between the parties, on each bank or financial institution at which the Chargor maintains any of its accounts
- (B) Each Chargor shall use reasonable endeavours to ensure that each person referred to in Clause 11 3(A) (*Notices of charge*) acknowledges receipt of that notice, substantially in the applicable form as set out in the relevant Schedule to this Deed

12 **Negative pledge**

- (A) No Chargor shall create nor permit to subsist any Security over any of its assets ranking senior to the Transaction Security (except as permitted by the Finance Documents)
- (B) No Chargor shall
 - (1) sell, transfer or otherwise dispose of any of its receivables on recourse terms,
 - (2) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts, or
 - (3) enter into any other preferential arrangement having a similar effect,in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset
- (C) Clauses 12(A) and 12(B) (*Negative pledge*) above do not apply to
 - (1) any lien arising by operation of law and in the ordinary course of trading,
 - (2) any Security entered into pursuant to any Finance Document

13 **Enforcement**

13 1 **When enforceable**

The Transaction Security created by this Deed and any Supplemental Mortgage shall be immediately enforceable if an Event of Default occurs and is continuing. The Senior Security Agent will not enforce any Transaction Security unless and until directed to do so by the Senior Facility Agent and indemnified and/or secured and/or prefunded to its satisfaction

13.2 Power of sale

- (A) Once the Security created or expressed to be created by this Deed or any Supplemental Mortgage has become enforceable, the Senior Security Agent shall be entitled, subject to Clause 13.1 (*When enforceable*) above but without prior notice to the relevant Chargor or prior authorisation from any court, to sell or otherwise dispose of all or any part of the Charged Property (at the times, in the manner and on the terms it thinks fit)
- (B) The statutory powers of sale, of appointing a receiver and the other powers conferred on mortgagee by Section 101 of the LPA as varied and amended by this Deed shall arise on the date of this Deed and any Supplemental Mortgage and shall be immediately exercisable at any time after an Event of Default has occurred

13.3 Section 103 of the LPA

Section 103 of the LPA (restricting the power of sale) shall not apply to this Deed or any Supplemental Mortgage

13.4 Section 93 of the LPA

Section 93 of the LPA (restricting the right of consolidation) shall not apply to this Deed or any Supplemental Mortgage

13.5 No liability as mortgagee in possession

Neither the Senior Security Agent nor any Receiver or Delegate is

- (A) liable to account as mortgagee in possession in respect of the Security Assets, nor
- (B) liable for any loss upon realisation or exercise of any power, authority or right of the Senior Security Agent, a Receiver or any Delegate arising under this Deed or any Supplemental Mortgage, nor for any act, default, neglect, or misconduct of any nature whatsoever

13.6 Privileges

The Senior Security Agent, each Receiver and each Delegate is entitled to all the rights, powers and immunities conferred by the LPA on mortgagees and receivers duly appointed under the LPA except that Section 103 of the LPA (restricting the power of sale) does not apply

13.7 No duty to enquire

No person dealing with the Senior Security Agent, 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 exercise any such rights, or

- (D) as to the application of any money borrowed or raised

13 8 Protection to purchasers

All the protection to purchasers contained in Sections 104 (relating to a conveyance on sale) and 107 (relating to mortgagee's receipts, discharges etc) of the LPA, Section 42(3) of the Insolvency Act 1986 or in any other applicable legislation shall apply to any person purchasing from or dealing with the Senior Security Agent, any Receiver or any Delegate

13 9 Financial collateral arrangements

- (A) To the extent that the provisions of the Financial Collateral Arrangements (No 2) Regulations 2003 (the "Regulations") apply to any Charged Property the Senior Security Agent shall have the right to appropriate any Charged Property which constitutes "financial collateral" (as defined in the Regulations) in or towards the satisfaction of the Secured Liabilities
- (B) The value of any Charged Property appropriated in accordance with this Clause 13 9(B) (*Financial collateral arrangements*) shall be
- (1) in the case of cash, the amount of the cash appropriated, and
 - (2) in the case of any Investments, their market value as determined by the Senior Security Agent by reference to a public index, independent valuation or by such other process as the Senior Security Agent may select (acting on the instructions of the Majority Lenders, themselves acting reasonably)
- (C) Each Chargor agrees that the method of valuation provided for in this Clause 13 9 (C) (*Financial collateral arrangements*) is commercially reasonable for the purposes of the Regulations

14 Receiver

14 1 Appointment of receiver

Following the occurrence of an Event of Default which is continuing or upon receipt of request from a Chargor for the Senior Security Agent to appoint a Receiver, whether or not the Senior Security Agent has entered into or taken possession of the whole or any part of the Security Assets pursuant to this Deed and subject to any applicable insolvency law

- (A) the Senior Security Agent may, without any or further notice, by writing under the hand of any authorised officer of the Senior Security Agent, appoint a Receiver in relation to the Security Assets,
- (B) subject to the Insolvency Act 1986, the Senior Security Agent may, from time to time, in similar manner, remove a Receiver and appoint another in his place,
- (C) the Senior Security Agent may, either at the time of appointment or at any time thereafter, fix the remuneration of a Receiver and section 109(6) of the LPA shall accordingly not apply,
- (D) the Senior Security Agent and any agent or nominee wherever situated may, without further notice, exercise in respect of all or any part of any shares and their Related Assets subject to the Security created by this Deed all the powers and rights exercisable by the registered holder of such shares and their Related Assets

and all other powers conferred on mortgagees by the LPA as varied or extended by this Deed, and

- (E) the Senior Security Agent and any agent or nominee wherever situated may apply any dividends, interest or other payments received or receivable by the Senior Security Agent or by such nominee in respect of the shares and their Related Assets subject to the Security created by this Deed as if they were proceeds of sale

None of the restrictions imposed by the LPA in relation to the appointment of receivers, the giving of notice or otherwise shall apply

14.2 Delegation by Receiver

A Receiver may from time to time delegate, by power of attorney or otherwise, to any person any of his powers and discretions, whether arising by statute, the provisions of this Deed or otherwise, upon such terms and for such periods of time as he may in his discretion think fit and may from time to time terminate any such delegation. The Senior Security Agent shall not be liable for any loss or damage arising from any such delegate's act, default, neglect or misconduct of any nature whatsoever.

14.3 Agent of Chargors

- (A) Any Receiver will be the agent of the Chargors for all purposes. The Chargors alone are responsible for all contracts, engagements, acts, omissions, defaults, remuneration and all other costs, losses and expenses of a Receiver and for liabilities incurred by a Receiver.
- (B) No Finance Party will incur any liability (either to a Chargor or any other person) by reason of its appointment of a Receiver or for any other reasons unless caused by its own fraud.

14.4 Senior Security Agent's rights

Any rights conferred by any Finance Document upon a Receiver may after this Security becomes enforceable be exercised by the Senior Security Agent, whether or not the Senior Security Agent shall have taken possession or appointed a Receiver of the Charged Property.

15 Powers of Receiver

15.1 General

- (A) A Receiver has all the powers to do or abstain from doing anything which a Chargor could do or abstain from doing in relation to the Security Assets including, without limitation, the powers and discretions set out below in this Clause 15.1 (*General*), the powers conferred by Section 109 of the LPA (Appointment, powers, remuneration and duties of receivers) and, in the case of a Receiver who is an administrative receiver, the powers conferred by Section 29 of the Insolvency Act (Definitions) and Schedule 1 to the Insolvency Act (*Powers of administrator or administrative receiver*).
- (B) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

15.2 Possession

A Receiver may take immediate possession of, get in and collect any Charged Property

15.3 Carry on business

A Receiver may carry on the business of the relevant Chargor in any manner he thinks fit

15.4 Employees

(A) A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he thinks fit

(B) A Receiver may discharge any person appointed by the relevant Chargor

15.5 Borrow money

A Receiver may raise and borrow money either unsecured or on the security of any Charged Property either in priority to the Security created by this Deed or otherwise and generally on any terms and for whatever purpose which he thinks fit

15.6 Sale of assets

(A) A Receiver may sell, exchange, convert into money and realise any Charged Property by public auction or private contract and generally in any manner and on any terms which he thinks fit

(B) The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which he thinks fit

(C) Fixtures, other than fixtures of any landlord or of any tenant under a Lease Document, may be severed and sold separately from the property containing them without the consent of the relevant Chargor

15.7 Mortgaged Property

(A) A Receiver may, in each such case in such manner and generally on such terms as a Receiver may in his discretion think fit, with all the powers of an absolute beneficial owner

(1) let, hire or lease (with or without premium) any Mortgaged Property and accept surrenders of leases or tenancies or concur in so doing,

(2) grant rights, options or easements over and otherwise deal with or dispose of, and exercise all rights, powers and discretions incidental to, the ownership of any of the Mortgaged Property,

(3) grant rights and issue shares in any management company which a purchaser of the Mortgaged Property or a lessee may require, and

(4) exchange or concur in exchanging any of the Mortgaged Property

- (B) A Receiver may exercise any such power in paragraph (A) above by effecting such transaction in the name or on behalf of the relevant Chargor or otherwise
- (C) Without any further consent by or notice to any Chargor, a Receiver may exercise all the powers and provisions conferred on a landlord or a tenant by any legislation in force
- (D) A Receiver may make allowances to, and re-arrangements with, any person occupying the whole or any part of the Mortgaged Property, and negotiate and agree, or refer to arbitration, any revision of rent under any leases in respect of which the rental may fall to be reviewed and accept service of, or serve, any notice received or required or deemed desirable in connection with any such review or with the exercise of any option

15 8 Leases

A Receiver may let any Charged Property of the relevant Chargor for any term and at any rent (with or without a premium) which he thinks fit and may accept a surrender of any lease or tenancy of any Charged Property on any terms which he thinks fit (including the payment of money to a lessee or tenant on a surrender)

15 9 Compromise

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of the relevant Chargor or relating in any way to any Charged Property.

15 10 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Charged Property which he thinks fit

15 11 Receipts

A Receiver may give a valid receipt for any monies and execute any assurance or thing which may be proper or desirable for realising any Charged Property.

15 12 Subsidiaries

A Receiver may form a Subsidiary of a Chargor and transfer to that Subsidiary any Charged Property

15 13 Lending

A Receiver may lend money or advance credit to any customer of a Chargor

15 14 Protection of assets

A Receiver may

- (A) effect any repair or insurance and do any other act which a Chargor might do in the ordinary conduct of its business to protect or improve any Charged Property,
- (B) commence and/or complete any building operation, and

- (C) apply for and maintain any planning permission, building regulation approval or any other authorisation,

in each case as he thinks fit

15 15 Other powers

A Receiver may

- (A) do all other acts and things which he may consider desirable or necessary for realising any Charged Property or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law,
- (B) exercise in relation to any Charged Property all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Charged Property, and
- (C) use the name of a Chargor for any of the above purposes

15 16 No obligation

No Receiver is obliged to exercise any of the powers set out in this Clause 15 16 (*No obligation*)

16 Power of attorney

16 1 Appointment

Each Chargor, by way of security, irrevocably appoints the Senior Security Agent, any Receiver and any 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 may think fit following an Event of Default

- (A) to do anything which the Chargor and/or Borrower is obliged to do under any Finance Document but has not done, and
- (B) to exercise any of the rights conferred on the Senior Security Agent, any Receiver or any Delegate in relation to the Charged Property or under any Finance Document, the LPA or the Insolvency Act 1986

16 2 Ratification

Each Chargor ratifies and confirms and agrees to ratify and confirm whatever any such attorney does or purports to do under its appointment under this Clause 16 (*Power of attorney*)

17 Tacking

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

18 Delegation

18 1 Delegate and sub-delegates

The Senior Security Agent or any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed

18 2 Terms

Any such delegation may be made upon any terms (including power to sub-delegate) as the Senior Security Agent or any Receiver thinks fit, and the Senior Security Agent or Receiver may pass confidential information to any such Delegate subject to the Delegate being informed of the confidential nature of the information

18 3 Liability

Neither the Senior Security Agent nor any Receiver will be in any way liable or responsible to the Chargors for any loss or liability arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate

If the Senior Security Agent or Receiver exercises reasonable care in selecting that Delegate, it will not have any obligations to supervise the Delegate.

19 Preservation of security

19 1 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of a Chargor or any security for those obligations or otherwise) is made by the Senior Security Agent in whole or in part on the faith of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of that Chargor under this Deed and any Supplemental Mortgage will continue or be reinstated as if the discharge, release or arrangement had not occurred

19 2 Waiver of defences

The obligations of a Chargor under this Deed will not be affected by an act, omission, matter or thing which, but for this Clause 19 2 (*Waiver of defences*), would reduce, release or prejudice any of its obligations under this Deed and any Supplemental Mortgage (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 other person,
- (B) the release of any other person under the terms of any composition or arrangement with any creditor of any other person,
- (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 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 other person,

- (E) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature) or replacement of a Finance Document or any 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

19.3 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 or any Supplemental Mortgage. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

19.4 Appropriations

Until all amounts which may be or become payable by a Chargor under or in connection with the Finance Documents have been irrevocably paid in full, any Finance Party (or any trustee or agent on its behalf) may

- (A) refrain from applying or enforcing any other monies, 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 the relevant Chargor shall not be entitled to the benefit of the same, and
- (B) hold in an interest-bearing suspense account any monies received from the relevant Chargor or on account of the relevant Chargor's liability under this Deed or any Supplemental Mortgage

19.5 Deferral of a Chargor's and Borrowers rights

Until all amounts which may be or become payable by the Chargors and Borrowers under the Finance Documents have been irrevocably paid in full and unless the Senior Security Agent otherwise directs, the Chargors will not exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Deed or any Supplemental Mortgage

- (A) to be indemnified by any other person,
- (B) to claim any contribution from any other guarantor of a Chargor'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 other guarantee or 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 Chargor to make any payment, or perform any obligation, in respect of which the Chargor has given a guarantee, undertaking or indemnity under any other Finance Document,
- (E) to exercise any right of set-off against any other person, and/or

- (F) to claim or prove as a creditor of any other person in competition with any Finance Party

If a Chargor and/or Borrower 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 Chargors under the Finance Documents to be repaid in full on trust for the Finance Parties and shall promptly pay or transfer the same to the Senior Security Agent or as the Senior Security Agent may direct for application in accordance with Clause 22 (*Payments*) of this Deed

20 Finance Parties' rights and obligations

- (A) The obligations of each Finance Party under the Finance Documents are several Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents
- (B) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor shall be a separate and independent debt
- (C) A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce its rights under the Finance Documents

21 Changes to the Parties

21 1 Assignments and transfer by a Chargor

No Chargor may assign any of its rights or transfer any of its rights or obligations under this Deed without the consent of the Senior Security Agent (acting as directed by the Senior Facility Agent)

21 2 Assignment and transfer by the Finance Parties

Any Finance Party may assign any of its rights or transfer any of its rights or obligations under this Deed to any person to which it is permitted to assign its rights or transfer any of its rights or obligations under the terms of the Facility Agreement

21 3 Deed of Accession

Each Chargor irrevocably authorises the Borrower to agree to and sign any duly completed Deed of Accession as agent and attorney for an on behalf of such Chargor

22 Payments

22 1 Payments

All payments by a Chargor under this Deed or any Supplemental Mortgage (including damages for its breach) shall be made in the currency in which the relevant amount is denominated, or if different, is payable and to such account, with such person and such other manner as the Senior Security Agent may direct

22 2 Continuation of accounts

- (A) At any time if any subsequent Security affects any Charged Property or a petition is presented or resolution passed in relation to the winding-up of a Chargor, any Finance Party may open a new account in the name of that Chargor (whether or not it permits any existing account to continue)
- (B) If a 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
- (C) No monies paid into any account, whether new or continuing, after that event shall discharge or reduce any Secured Liabilities

22 3 Order of distributions

All amounts received or recovered by the Senior Security Agent or any Receiver or Delegate in the exercise of their rights under this Deed shall be applied in accordance with Clause 29 (*Application of Proceeds*) of the Facility Agreement

22 4 No set-off by Chargors

All payments to be made by a Chargor under this Deed shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim

22 5 Business Days

- (A) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not)
- (B) During any extension of the due date for payment of any principal or Unpaid Sum under this Deed interest is payable on the principal or Unpaid Sum at the rate payable on the original due date

22 6 Currency of account

- (A) Subject to Clauses 22 6(B) to 22 6(D) (*Currency of account*), sterling is the currency of account and payment for any sum due from the Chargors under this Deed
- (B) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated when that interest accrued
- (C) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred
- (D) Any amount expressed to be payable in a currency other than sterling shall be paid in that other currency

22 7 Change of currency

- (A) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then

- (1) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Senior Security Agent (after consultation with the Chargors), and
 - (2) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Senior Security Agent
- (B) If a change in any currency of a country occurs, this Deed will, to the extent the Senior Security Agent (after consultation with the Chargors) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the relevant interbank market and otherwise to reflect the change in currency

23 **Set-Off**

A Finance Party may set off any matured obligation due from a Chargor and/or Borrower under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off

24 **Senior Security Agent Provisions**

- (A) The Senior Security Agent executes this Deed as security agent in the exercise of the powers and authority conferred and vested in it under the Facility Agreement and any other Finance Document for and on behalf of the Secured Parties for whom it acts. It will exercise its powers and authority under this Deed in the manner provided for in the Facility Agreement and the Senior Security Agent shall have the protections, immunities, rights, powers, authorisations, indemnities and benefits conferred on it under and by the Facility Agreement and the other Finance Documents
- (B) The Senior Security Agent shall not owe any fiduciary duties to any party to this Deed or any of their directors, employees, agents, or affiliates.
- (C) Notwithstanding any other provision of this Deed, in acting under and in accordance with this Deed the Senior Security Agent is entitled to seek instructions from the Senior Facility Agent in accordance with the provisions of the Facility Agreement and at any time, and where it so acts or refrains from acting on the instructions of the Senior Facility Agent entitled to give it instructions, the Senior Security Agent shall not incur any liability to any person for so acting or refraining from acting

25 **Release of Security**

25.1 **Release**

At the end of the Security Period the Senior Security Agent shall at the request and cost of the Borrower, take whatever action is necessary to release the Charged Property from the Security created by or expressed to be created by this Deed or any Supplemental Mortgage

25 2 **Retention**

If the Senior Security Agent considers that any amount paid or credited to it under a Finance Document is capable of being avoided or otherwise set aside, that amount shall not be considered to have been paid for the purposes of determining whether all the Secured Liabilities have been irrevocably paid

26 **Partial Invalidity**

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired

27 **Remedies and Waivers**

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under the Finance Documents 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 this Deed are cumulative and not exclusive of any rights or remedies provided by law

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 and other matters arising from or in connection with it are governed by English law

30 **Enforcement**

30 1 **Jurisdiction**

- (A) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed or any non-contractual obligations arising out of or in connection with this Deed) (a "Dispute")
- (B) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary
- (C) This Clause 30 1 (*Jurisdiction*) is for the benefit of the Finance Parties only. As a result, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions

THIS DEED has been entered into as a deed on the date stated at the beginning of this Deed.

SCHEDULE 1 · PROPERTIES

No	Description of Property	Borrower	Tenure	Title Number
1	Grenadier House, 99-105 Horseferry Road, London SW1P 2DX	PegasusLife Development Limited	Freehold	NGL613654
2	1 Dorton Drive, Sevenoaks TN15 0JA, 2 Dorton Drive, Sevenoaks TN15 0JA, 3 Dorton Drive, Sevenoaks TN15 0JA, Dorton College of Further Education, Seal Drive, Sevenoaks TN15 0AH, Wildemesse House, Wildemesse Avenue, Sevenoaks TN15 0AH, and Ritchie House, Dorton Drive, Sevenoaks TN15 0JA	PegasusLife Development Limited	Freehold	K39673
3	Bartrams Convent Hostel, Rowland Hill Street, London NW3 2AD	PegasusLife Development Limited	Freehold	NGL939811
4	Norfolk Lodge Hotel, Flaghead Road, Canford Cliffs BH13 7JL	PegasusLife Development Limited	Freehold	DT104502
5	19-21 Banks Road, Sandbanks, Poole BH13 7PW	PegasusLife Development Limited	Freehold	DT406905
6	Ladbroke House, Highbury Grove, London N5 2AD	PegasusLife Development Limited	Freehold	AGL279153
7	Queen Victoria House, Redland Hill, Redland, Bristol BS6 6UU	PegasusLife Development Limited	Freehold	AV247649
8	Arthur West House, 79 Fitzjohns Avenue, London NW3 6PA	PegasusLife Development Limited	Freehold	162429
9	Watersplash Hotel, The Rise, Brockenhurst SO42 7ZP	PegasusLife Development Limited	Freehold	HP584363

No	Description of Property	Borrower	Tenure	Title Number
10	336 Sandbanks Road, Poole BH14 8HY	PegasusLife Development Limited	Freehold	DT250192
11	Beech House, 840 Brighton Road, Purley CR8 2BH	PegasusLife Development Limited	Freehold	SGL359925
12	Guildford Plaza, Portsmouth Road, Guildford, GU2 4BL	PegasusLife Development Limited	Freehold	SY222887

SCHEDULE 2 : FORM OF SUPPLEMENTAL MORTGAGE

Dated

Supplemental Mortgage

between

[•]
as Chargor

and

Deutsche Bank AG, London Branch
as Senior Secunty Agent

relating to

a £455,000,000 facility in relation to a portfolio of real estate
assets

CONTENTS

- 1 Interpretation
- 2 Creation of Security
- 3 Miscellaneous
- 4 Counterparts
- 5 Governing law

EXECUTION PAGE

THIS DEED is dated

and made

BETWEEN:

- (1) **[•]**, registered in England and Wales (registered number **[•]**) whose registered office is at **[•]** (the "**Chargor**"), and
- (2) **DEUTSCHE BANK AG, LONDON BRANCH**, (the "**Senior Security Agent**" which expression includes its successors and assigns as security agent and security trustee for the Secured Parties)

BACKGROUND:

- (A) The Chargor has entered into a security agreement dated **[•]** (the "**Security Agreement**") with the Senior Security Agent
- (B) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand

IT IS AGREED as follows

1 Interpretation

1.1 Definitions

Terms defined in the Security Agreement have the same meaning in this Deed unless given a different meaning in this Deed and in addition

"**Additional Assigned Contract**" means all agreements in respect of the acquisition of the **[•]** Property

"**[•] Property**" means the [freehold/leasehold property known as **[•]** with title number **[•]**, and, where the context so requires, includes the buildings on such property

1.2 Construction

- (A) The other provisions of Clause 1.2 (**Construction**) of the Security Agreement apply to this Deed as if set out in full in this Deed with all necessary changes

- (B) This Deed is a Finance Document

2 Creation of Security

2.1 Security generally

All the Security created, or expressed to be created, under this Deed:

- (A) is created in favour of the Senior Security Agent;
- (B) is created over the present and future assets of the Chargor,
- (C) is security for the payment of all the Secured Liabilities, and
- (D) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994

2 2 Land

The Chargor charges by way of a first legal mortgage all estates or interests in the [•] Property

2 3 Lease Documents

The Chargor assigns to the Senior Security Agent by way of security all of its rights and interests in and to each Lease Document in respect of the [•] Property (including all rental income and any guarantee of rental income contained in or relating to any such Lease Document)

2 4 Contracts

- (A) The Chargor assigns to the Senior Security Agent by way of security, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities, all of its rights and interests under each Additional Assigned Contract
- (B) To the extent that any such right described in paragraph (A) above is not capable of assignment, the assignment of that right purported to be effected by paragraph (A) above shall operate as an assignment of any damages, compensation, remuneration, profit, rent or income which the Chargor may derive from that right or be awarded or entitled to in respect of that right
- (C) To the extent that they do not fall within any other part of this sub-clause or are not effectively assigned under paragraphs (A) or (B) above, the Chargor charges by way of first fixed charge all of its rights under each agreement or document to which it is a party
- (D) If the Chargor assigns or charges an Additional Assigned Contract and the assignment or charge breaches a term of that Additional Assigned Contract because a third party's consent has not been obtained
 - (1) the Chargor must notify the Senior Security Agent immediately upon becoming so aware,
 - (2) unless the Senior Security Agent otherwise requires, the Chargor shall use all reasonable endeavours to obtain the consent as soon as practicable, and
 - (3) the Chargor must promptly supply to the Senior Security Agent a copy of the consent obtained by it
- (E) Prior to the occurrence of an Event of Default which is continuing, the relevant Chargor may perform, deal in and exercise its rights under the Additional Assigned Contracts as permitted under the Finance Documents

2 5 Insurances

- (A) The Chargor assigns to the Senior Security Agent by way of security, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities, all of its rights in respect of any contract or policy of insurance taken out by it or on its behalf or in which it has an interest and the proceeds payable under any such contract or policy of insurance, in each case to the extent the same is the [•] Property

- (B) To the extent that any such right described in paragraph (A) above is not capable of assignment, the assignment of that right purported to be effected by paragraph (A) above shall operate as an assignment of any damages, compensation, remuneration, profit, rent or income which the Chargor may derive from that right or be awarded or entitled to in respect of that right

3 Miscellaneous

With effect from the date of this Deed

- (A) any reference in the Security Agreement to "this Deed" and similar phrases will include this Deed,
- (B) any reference to "Mortgaged Property" will include a reference to the [•] Property,
- (C) any reference to "Assigned Contracts" will include a reference to the Additional Assigned Contracts

4 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

5 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 executed and delivered as a deed on the date stated at the beginning of this Deed

EXECUTION PAGE TO SUPPLEMENTAL MORTGAGE

The Chargor

EXECUTED as a DEED by
[•]
acting by
a Director, in the presence of

)
)
)
)

(Signature)

Signature of witness

Name of witness _____

Address _____

Occupation _____

Address for notices

Address [•]

Tel [•]

Email [•]

Attention. [•]

The Senior Security Agent

DEUTSCHE BANK AG, LONDON BRANCH

By.

By

Address Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester
Street, London EC2N 2DB

Fax +44 (0) 20 7545 3686

E-mail pegasuslife@list db com

SCHEDULE 3 : NOTICE TO BANK HOLDING AN ACCOUNT

To [Account Bank]

Address [•]

[Date]

Dear Sirs,

This letter constitutes notice to you that under a security agreement dated [•] between [•] as Chargor and Deutsche Bank AG, London Branch as senior security agent (the "Senior Security Agent") and as senior collateral administrator (the "Senior Collateral Administrator") we have charged by way of first fixed charge in favour of the Senior Security Agent (as agent and trustee for the Finance Parties referred to in the Security Agreement) and Senior Collateral Administrator all of our rights in respect of any amount standing to the credit of the accounts identified in the schedule to this notice (the "Account[s]") and the debts represented by those Account[s]

We irrevocably instruct and authorise you to

- (A) disclose to the Senior Security Agent and the Senior Collateral Administrator any information relating to the Account[s] requested from you by the Senior Security Agent and the Senior Collateral Administrator,
- (B) comply with the terms of any written notice or instruction relating to the Account[s] received by you from the Senior Security Agent and the Senior Collateral Administrator,
- (C) hold all sums standing to the credit of (i) the Blocked Account[s] and (ii) following notification to you that the Chargor's right to operate the Current Accounts (as defined in the Schedule) has been suspended, the Operating Accounts in each case to the order of the Senior Security Agent and the Senior Collateral Administrator, and
- (D) pay or release any sum standing to the credit of (i) the Blocked Account[s] and (ii) following notification to you that the Chargor's right to operate the Operating Accounts (as defined in the Schedule) has been suspended, the Operating Accounts, in each case in accordance with the written instructions of the Senior Security Agent and the Senior Collateral Administrator

We acknowledge that you may comply with the instructions in this letter without any further permission from the Chargor or enquiry by you

The instructions in this notice may not be revoked or amended without the prior written consent of the Senior Security Agent and the Senior Collateral Administrator

This notice and any non-contractual obligations and other matters arising from or in connection with it are governed by English law

Please acknowledge receipt of this notice, and confirm that you will pay all monies in respect of the Account[s] as directed by or pursuant to this notice, by signing the acknowledgement on the attached copy of this notice and returning that copy to the Senior Security Agent at [•], marked for the attention of [•]

For and on behalf of
[•]
as Chargor

SCHEDULE

Part 1. Blocked Accounts

[Details of Account Bank]		
Customer	Account Number	Sort Code
[•]	[•]	[•]
[•]	[•]	[•]
[•]	[•]	[•]
[•]	[•]	[•]

Part 2. Current Accounts

[Details of Account Bank]		
Customer	Account Number	Sort Code
[•]	[•]	[•]

[Details of Account Bank]		
Customer	Account Number	Sort Code
[•]	[•]	[•]
[•]	[•]	[•]

[Details of Account Bank]		
Customer	Account Number	Sort Code
[•]	[•]	[•]

[On duplicate]

- 1 We hereby acknowledge receipt from PegasusLife Development Limited (the "Chargor") of a notice of charge dated 2015 (the "Notice") that under a security agreement dated 2015 between PegasusLife Development Limited as Chargor and Deutsche Bank AG, London Branch as Senior Security Agent (the "Senior Security Agent") the Chargor has charged by way of first fixed charge in favour of the Senior Security Agent (as agent and trustee for the Finance Parties referred to in the Security Agreement) all of the Chargor's rights in respect of any amount standing to the credit of the Accounts (as defined in the Notice) and the debts represented by such Accounts and confirm that we will pay all monies in respect of the Accounts as directed by or pursuant to the Notice.
- 2 We acknowledge receipt of the Notice of which this is a copy and confirm that we
 - (A) will accept the instructions contained in the Notice and agree to comply with the Notice,
 - (B) have not received notice of the interest of any third party in the Account[s],
 - (C) have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of the Account[s],
 - (D) [in respect of the Blocked Account[s], will not permit any amount to be withdrawn from the Accounts without the prior written consent of the Senior Security Agent]¹, and/or
 - (E) [in relation to the Current Account, will not permit any amount to be withdrawn from the Account following notification from the Senior Security Agent to that effect]²
- 3 Without prejudice to the foregoing paragraphs, the Account Bank's acknowledgement of the Notice is subject to the following conditions
 - (A) the Account Bank shall not be bound to enquire whether the right of any person (including, but not limited to, the Senior Security Agent) to withdraw any monies from the Accounts has arisen or be concerned with
 - (1) the propriety or regularity of the exercise of that right,
 - (2) notice to the contrary unless such notice is given by the Senior Security Agent pursuant to paragraph (B) of the Notice, or
 - (3) to be responsible for the application of any monies received by such person (including, but not limited to, the Senior Security Agent),
 - (B) the Account Bank shall have no liability for having acted on instructions from any person (including, but not limited to, the Senior Security Agent) which on their face appear to be genuine, and which comply with the latest bank mandate held by us or relevant electronic banking system procedures in the case of an electronic instruction, and

¹ Use in respect of accounts other than the operating accounts

² Use for operating accounts to be blocked on notice from Senior Security Agent

- (C) the Account Bank shall not be deemed to be a trustee for the Chargor or the Senior Security Agent of the Accounts.

For and on behalf of
[Account Bank]

Date

SCHEDULE 4 : NOTICE TO COUNTERPARTY TO ASSIGNED CONTRACT

To [Counterparty]

Address [•]

[Date]

Dear Sirs,

[Description of relevant Assigned Contract[s]] (the "Contract")

1 We refer to

(A) the Contract, and

(B) the security agreement (the "Security Agreement") dated [•] between [•] as Chargor (the "Chargor") and [•] as Senior Security Agent (the "Senior Security Agent")

We give you notice that pursuant to the Security Agreement, we have assigned to the Senior Security Agent (as security agent and trustee for the Finance Parties referred to in the Security Agreement) all of our present and future right, title and interest in and to the Contract

2 We irrevocably instruct and authorise you

(A) that we will remain liable under the Contract to perform all the obligations assumed by us under the Contract. None of the Senior Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Contract,

(B) that we are entitled to exercise all of its rights, powers and discretions under the Contract, and you should continue to give notices under the Contract to us, unless and until you receive notice from the Senior Security Agent to the contrary. In this event, all the rights, powers and discretions under the Contract will be exercisable by, and notices must be given to, the Senior Security Agent or as it directs

3 Please note that we have agreed not to amend, waive or vary any provision of or terminate the Contract without the prior consent of the Senior Security Agent

4 The instructions in this letter

(A) may be complied with without any further permission from us and without enquiry by you as to the justification for or validity of any notice, request or instructions,

(B) apply until you receive notice from the Senior Security Agent to the contrary, notwithstanding any previous instructions given by us, and

(C) may not be revoked or amended without the prior written consent of the Senior Security Agent

5 This notice and any non-contractual obligations and other matters arising from or in connection with it are governed by English law

- 6 Please acknowledge receipt of this notice, and confirm that you will pay all monies in respect of the Contract as directed by or pursuant to this notice, by signing the acknowledgement on the attached copy of this notice and returning that copy to the Senior Security Agent at [•], marked for the attention of [•]

For and on behalf of
[•] as Chargor

[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 charge or notice that any other person claims any rights in respect of the Contract

For and on behalf of
[•]

Date

SCHEDULE 5 : NOTICE TO INSURERS

To [The Insurers]

Address [•]

[Date]

Dear Sirs

This letter constitutes notice to you that under a security agreement dated [•] between PegasusLife Development Limited (among others) as a Chargor and Deutsche Bank AG, London Branch as Senior Security Agent (the "Senior Security Agent") we have assigned to the Senior Security Agent (as security agent and trustee for the Secured Parties referred to in the Security Agreement) all of our present and future right, title and interest in and any contract of insurance taken out with you by or on behalf of us or under which we have a right to claim (the "Insurances")

- 1 All monies payable by you to the Chargor in respect of the Insurances other than third party Insurances shall be paid as directed by the Chargor, unless and until you receive written notice from the Senior Security Agent to the contrary, in which event you should make all future payments as then directed by the Senior Security Agent
- 2 [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 us, in which case such sums shall be paid as directed by the Senior Security Agent]
- 3 This authority and instruction is irrevocable without the prior written consent of the Senior Security Agent

This notice and any non-contractual obligations and other matters arising from or in connection with it are governed by English law

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

For and on behalf of
[•]
as Chargor

[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 Insurer]

Date

SCHEDULE 6 : NOTICE TO LEASE COUNTERPARTY

[On the letterhead of the Chargor]

To [Lease Counterparty]

[Date]

Dear Sirs,

[Description of relevant Lease Document] (the "Lease Document")

We refer to the security agreement (the "Security Agreement") dated [•] between, [•] as Chargor (the "Chargor") and [•] as Senior Security Agent (the "Senior Security Agent")

We give you notice that pursuant to the Security Agreement, we have assigned to the Senior Security Agent (as agent and trustee for the Finance Parties referred to in the Security Agreement) all of our present and future right, title and interest in and to the Lease Document, including all rent payable to us under the Lease Document

- 1 We irrevocably and unconditionally instruct and authorise you
 - (A) to make all payments in connection with the Lease Document as directed by the Senior Security Agent from time to time,
 - (B) to disclose to the Senior Security Agent any information relating to the Lease Document which the Senior Security Agent may request
- 2 The Senior Security Agent currently instructs you to pay all amounts due under the Lease Document to [insert either rent account or Managing Agent's trust account details as relevant]
- 3 Until otherwise advised by the Senior Security Agent, we will remain liable under the Lease Document to perform all the obligations assumed by us under the Lease Document. None of the Senior Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Lease Document
- 4 You should continue to give notices under the Lease Document as directed under the Lease Document, unless and until you receive notice from the Senior Security Agent to the contrary
- 5 Please note that we have agreed not to amend, waive or vary any provision of, or terminate or rescind the Lease Document without the prior consent of the Senior Security Agent
- 6 The instructions in this letter
 - (A) may be complied with without any further permission from us and without enquiry by you as to the justification for or validity of any notice, request or instructions,
 - (B) apply until you receive notice from the Senior Security Agent to the contrary, notwithstanding any previous instructions given by us, and

(C) may not be revoked or amended without the prior written consent of the Senior Security Agent

This notice and any non-contractual obligations and other matters arising from or in connection with it are governed by, and shall be construed in accordance with, English law

Please acknowledge receipt of this notice by signing the acknowledgement on the attached copy of this notice and returning that copy to the Senior Security Agent at [•], marked for the attention of [•]

Yours faithfully,

For and on behalf of
[•]
as Chargor

[On duplicate]

We acknowledge receipt of the notice 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 charge, or notice that any other person claims any rights in respect of the Lease Document

For and on behalf of
[Lease Counterparty]

Date

SCHEDULE 7 : FORM OF DEED OF ACCESSION

THIS DEED is dated and made

BETWEEN:

- (1) **[•]**, registered in England and Wales (registered number [•]) whose registered office is at [•] (the "**Additional Chargor**"), and
- (2) **PEGASUSLIFE DEVELOPMENT LIMITED**, registered in England and Wales (registered number 09340939) whose registered office is at Royal Court, Church Green, Kings Worthy, Winchester, SO23 7TW (the "**Borrower**"),
- (3) **DEUTSCHE BANK AG, LONDON BRANCH**, (the "**Senior Security Agent**" which expression includes its successors and assigns as security agent and security trustee for the Secured Parties)

BACKGROUND

- (A) The Borrower has entered into a security agreement dated [•] (the "**Security Agreement**") between the Borrower, the Chargors under and as defined in the Security Agreement and the Senior Security Agent
- (B) The Additional Chargor has agreed to enter into this Deed and to become a Chargor under the Security Agreement
- (C) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand

IT IS AGREED as follows

1. **Interpretation**

- (A) Terms defined in the Security Agreement have the same meaning in this Deed unless given a different meaning in this Deed
- (B) The other provisions of clause 1 2 (*Construction*) of the Security Agreement apply to this Deed as if set out in full in this Deed with all necessary changes
- (C) This Deed is a Finance Document

2 **Accession**

With effect from the date of this Deed the Additional Chargor

- (A) will become a party to the Security Agreement as a Chargor,
- (B) will make all of the representations and warranties set out in the Security Agreement which are expressed to be made by a Chargor, and
- (C) will be bound by all the terms of the Security Agreement which are expressed to be binding on a Chargor

3 Creation of Security

3 1 Security generally

All the Security created, or expressed to be created, under this Deed

- (A) is created in favour of the Senior Security Agent,
- (B) is created over the present and future assets of the Additional Chargor,
- (C) is security for the payment of all the Secured Liabilities, and
- (D) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994

3 2 Land

- (A) The Additional Chargor charges
 - (1) by way of a first legal mortgage all estates or interests in its Mortgaged Property and all rights under any licence or other agreement or document which gives the Additional Chargor a right to occupy or use that Mortgaged Property,
 - (2) (to the extent that they are not the subject of a legal mortgage under Clause 3 2(A)(1)) (*Land*) by way of first fixed charge all estates or interests in any freehold or leasehold property now or in the future owned by it and all rights under any licence or other agreement or document which gives the Additional Chargor a right to occupy or use that property, and
 - (3) all Related Rights in respect of the above

3 3 Lease Documents

The Additional Chargor assigns absolutely to the Senior Security Agent, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities, all of its rights and interests in and to each Lease Document (including all rental income and any guarantee of rental income contained in or relating to any Lease Document)

3 4 Contracts

- (A) The Additional Chargor assigns absolutely to the Senior Security Agent, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities, all of its rights and interests under each Assigned Contract
- (B) To the extent that any such right described in Clause 3 4(A) (*Contracts*) above is not capable of assignment, the assignment of that right purported to be effected by Clause 3 4(A) (*Contracts*) above shall operate as an assignment of any damages, compensation, remuneration, profit, rent or income which the Additional Chargor may derive from that right or be awarded or entitled to in respect of that right
- (C) To the extent that they do not fall within any other part of this sub-clause or are not effectively assigned under Clauses 3 4(A) or 3 4(B) (*Contracts*) above, the Additional Chargor charges by way of first fixed charge all of its rights under each such agreement or document to which it is a party

(D) If the Additional Chargor assigns an agreement or document under this Deed or any Supplemental Mortgage (or charges it) and the assignment or charge breaches a term of that agreement or document because a third party's consent has not been obtained

- (1) the Additional Chargor must notify the Senior Security Agent immediately upon becoming so aware,
- (2) unless the Senior Security Agent otherwise requires, the Additional Chargor shall use reasonable endeavours to obtain the consent as soon as practicable, and
- (3) the Additional Chargor must promptly supply to the Senior Security Agent a copy of the consent obtained by it

3 5 Intellectual Property

The Additional Chargor charges by way of first fixed charge all its Intellectual Property including any specified in Part 5 of the Schedule (*Intellectual Property*)

3 6 Accounts

The Additional Chargor charges by way of a first fixed charge all of its rights in respect of any amount standing to the credit of any account including any specified in Part 6 of the Schedule (*Accounts*)

3 7 Investments

- (A) The Additional Chargor charges by way of a first fixed charge all of its rights and interests in its Investments
- (B) A reference in this Deed to any mortgage or charge of any Investments includes
- (1) any dividend or interest paid or payable in relation to it,
 - (2) any right, money or property accruing or offered at any time in relation to it by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise,
 - (3) any right against any clearance system in relation to it, and
 - (4) any right under any custodian or other agreement in relation to it

3 8 Book debts etc.

The Additional Chargor charges by way of a first fixed charge

- (A) all of its book and other debts,
- (B) all other monies due and owing to it, and
- (C) the benefit of all rights, securities or guarantees of any nature enjoyed or held by it in relation to any item under paragraphs (A) and (B) above

3 9 Insurances

- (A) The Additional Chargor assigns absolutely to the Senior Security Agent, subject to a proviso for re-assignment on redemption, all of its rights in respect of any contract or policy of insurance taken out by it or on its behalf or in which it has an interest and the proceeds payable under any such contract or policy of insurance
- (B) To the extent that any such right described in Clause 3.9(A) (*Insurances*) is not capable of assignment, the assignment of that right purported to be effected by Clause 3 9(A) shall operate as an assignment of any damages, compensation, remuneration, profit, rent or income which the Additional Chargor may derive from that right or be awarded or entitled to in respect of that right.
- (C) To the extent that they do not fall within any other part of this Clause 3 9 (C) or are not effectively assigned under Clause 3 9(A) or 3 9(B) (*Insurances*), the Additional Chargor charges by way of first fixed charge all of its rights under each agreement or document to which it is a party, subject to a proviso for re-assignment on redemption

3 10 Equipment

The Additional Chargor charges by way of a first fixed charge all the fixed and moveable Equipment, its interest in any Equipment in its possession (including any specified in Part 3 of the Schedule (*Equipment*)), and the benefit of all related Authorisations, agreements and warranties

3 11 Authorisations

The Additional Chargor charges by way of first fixed charge the benefit of all Authorisations held now or in the future by it in relation to any Charged Property and/or the Business of the Additional Chargor, together with the right to recover and receive compensation which may be payable to it in respect of any Authorisation

3 12 Pension fund

The Additional Chargor charges by way of first fixed charge any beneficial interest, claim or entitlement it has in any pension fund

3 13 Goodwill and Business

The Additional Chargor charges by way of first fixed charge its goodwill and business

3 14 Uncalled capital

The Additional Chargor charges by way of first fixed charge its uncalled capital

3 15 Causes of action

The Additional Chargor assigns to the Senior Security Agent by way of security all of its rights in respect of all causes of action and other rights and remedies in which it has an interest, in so far as these relate to its business, including, without limitation, any VAT recoveries

3 16 Floating charge

- (A) The Additional Chargor charges by way of first floating charge its undertaking and assets, both present and future not otherwise effectively mortgaged or charged under this Deed
- (B) The floating charge created by the Additional Chargor pursuant to paragraph (A) is a "qualifying floating charge" for the purposes of paragraph 14 of Schedule B1 to the Insolvency Act 1986
- (C) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to this Deed and the Senior Security Agent may appoint an administrator to the Additional Chargor pursuant to that paragraph
- (D) The Senior Security Agent may convert the floating charge created by this Deed over all or any of the Charged Property into a fixed charge by notice to the Additional Chargor specifying the relevant Charged Property (either specifically or generally)
 - (1) while an Event of Default has occurred and is continuing, and/or
 - (2) if the Senior Security Agent acting on the instructions of the Majority Lenders reasonably considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process
- (E) If
 - (1) the Additional Chargor takes any step to create any Security in breach of Clause 7 1 (*Security*) of the Security Agreement over any of the Charged Property not subject to a mortgage or fixed charge,
 - (2) an administrator is appointed or the Senior Security Agent receives notice of an intention to appoint an administrator in respect of the Additional Chargor; or
 - (3) any person takes any step to effect any expropriation, attachment, sequestration, distress or execution against any of the Charged Property,the floating charge over the relevant Charged Property shall automatically and immediately be converted into a fixed charge

4 Negative Pledge

Without prejudice to the generality of Clause 6 (*Miscellaneous*)

- (A) the Additional Chargor shall not create nor permit to subsist any Security over any of its assets ranking senior to the Transaction Security (except as permitted by the Finance Documents),
- (B) the Additional Chargor shall not
 - (1) sell, transfer or otherwise dispose of any of its receivables on recourse terms,
 - (2) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts, or

(3) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset,

(C) Clauses 4(A) and 4(B) (*Negative pledge*) above do not apply to

(1) any lien arising by operation of law and in the ordinary course of trading,

(2) any Security entered into pursuant to any Finance Document

5 **Consent**

Pursuant to clause 21.3 (*Deed of Accession*) of the Security Agreement, the Borrower (as agent for itself and the existing Chargors)

(A) consents to the accession of the Additional Chargor to the Security Agreement on the terms of this Deed, and

(B) agrees that the Security Agreement shall, after the date of this Deed, be read and construed as if the Additional Chargor had been named in the Security Agreement as a Chargor

6 **Miscellaneous**

With effect from the date of this Deed

(A) the Security Agreement will be read and construed for all purposes as if the Additional Chargor had been an original party in the capacity of Chargor (but so that the security created on this accession will be created on the date of this Deed),

(B) any reference in the Security Agreement to this Deed and similar phrases will include this Deed and will include a reference to the schedule to this Deed (or relevant part of it),

(C) any reference in the Security Agreement to "Mortgaged Property" will include any leasehold or freehold property specified in Part 1 of the Schedule (*Mortgaged Property*), and

(D) the Borrower, for itself and as agent for each of the other Chargors under the Security Agreement, agrees to all matters provided for in this Deed

7 **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

8 **Governing law**

This Deed and any non-contractual obligations and other matters arising from or in connection with it are governed by English law

THIS DEED has been executed and delivered as a deed on the date stated at the beginning of this Deed

SCHEDULE

PART 1: MORTGAGED PROPERTY

Freehold/Leasehold	Title number	Description
[•]	[•]	[•]

PART 2: INVESTMENTS

Name of company in which shares are held	Name of nominee (if any) by whom shares are held	Class of shares held	Number of shares held
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]

PART 3: EQUIPMENT

Description

[•]

PART 4: ASSIGNED CONTRACTS

Date	Parties	Description
[•]	[•]	[•]

PART 5: INTELLECTUAL PROPERTY

Description

[•]

PART 6: ACCOUNTS

Account number	Sort code	Bank or financial institution
[•]	[•]	[•]

EXECUTION PAGES TO DEED OF ACCESSION

The Additional Chargor

EXECUTED as a DEED by
[•]
acting by
a Director, in the presence of

)
)
)
)

(Signature)

Signature of witness

Name of witness _____

Address _____

Occupation _____

Address for notices

Address [•]

Tel [•]

Email [•]

Attention [•]

The Borrower

EXECUTED as a DEED by
PEGASUSLIFE DEVELOPMENT LIMITED

acting by
a Director, in the presence of

)
)
)
)

(Signature)

Signature of witness

Name of witness _____

Address _____

Occupation _____

Address for notices

Address: Royal Court, Church Green Close, Kings Worthy, Winchester, Hampshire
SO23 7TW

Email: itrinder@pegasuslife.co.uk

Attention: Ian Trinder

The Senior Security Agent

DEUTSCHE BANK AG, LONDON BRANCH

By

By

Address Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB

Fax +44 (0) 20 7545 3686


E-mail pegasuslife@list.db.com

EXECUTION PAGES TO SECURITY AGREEMENT


The Borrower

EXECUTED as a DEED by
PEGASUSLIFE DEVELOPMENT LIMITED

acting by
a Director, in the presence of



Signature of witness

)
)
)


(Signature)

Name of witness STEVEN BASSI

Address 86 HEATHFIELD ROAD

WEST MOORS, FERNDELN, Dorset

Occupation ACCOUNTANT

Address for notices

Address Royal Court, Church Green Close, Kings Worthy, Winchester, Hampshire
SO23 7TW

Email itrinder@pegasuslife.co.uk

Attention Ian Trinder


The Original Chargor

EXECUTED as a DEED by
**PEGASUSLIFE DEVELOPMENT
(WESTMINSTER) LIMITED**

acting by
a Director, in the presence of



Signature of witness

)
)
)
)

(Signature)

Name of witness STEVEN BASSI

Address 86 HEATHFIELD ROAD
WEST MOORS, FERNHOUN, DORSET

Occupation ACCOUNTANT

Address for notices

Address Royal Court, Church Green Close, Kings Worthy, Winchester, Hampshire
SO23 7TW

Email itrinder@pegasuslife.co.uk

Attention Ian Trinder

The Senior Security Agent

DEUTSCHE BANK AG, LONDON BRANCH

By

By

Address. Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester
Street, London EC2N 2DB

Fax +44 (0) 20 7545 3686

Email pegasuslife@list.db.com

The Original Chargor

EXECUTED as a DEED by
**PEGASUSLIFE DEVELOPMENT
(WESTMINSTER) LIMITED**

acting by
a Director, in the presence of

)
)
)
)

(Signature)

Signature of witness

Name of witness _____

Address _____

Occupation _____

Address for notices

Address Royal Court, Church Green Close, Kings Worthy, Winchester, Hampshire
SO23 7TW

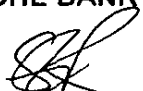
Email itrinder@pegasuslife.co.uk

Attention Ian Trinder

The Senior Security Agent

DEUTSCHE BANK AG, LONDON BRANCH

By



Susan Rose
Vice President

By



Ranjit Mather
Director

Address Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester
Street, London EC2N 2DB

Fax +44 (0) 20 7545 3686

Email pegasuslife@list.db.com