

M

CHFP025

Please do not
write in
this margin

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

*insert full name
of Company

COMPANIES FORM No. 395

205185/13

Particulars of a mortgage or charge

395

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

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number

[141]

5410412

Name of company

* PPH1 Limited (the **Chargor**)

Date of creation of the charge

18 July 2007

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

Supplemental Security Agreement dated 16 July 2007 between the **Chargor** and
the **Facility Agent** (as defined below) as agent and trustee for the Finance
Parties (the **Deed**)

Amount secured by the mortgage or charge

T
+10
All present and future obligations and liabilities (whether actual or
contingent and whether owed jointly or severally or in any other capacity
whatsoever) of the Company to any Finance Party under each Finance
Document, except for any obligation which, if it were so included, would
result in this Deed contravening Section 151 of the Companies Act 1985
(the **Secured Liabilities**)

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

The Royal Bank of Scotland plc (the **Facility Agent**), 135 Bishopsgate,
London

Postcode EC2M 3UR

Presentor's name address and
reference (if any)

Allen & Overy LLP
One Bishops Square
London E1 1AO

MAEM/BK-6983542 1

Time critical reference

For official Use (06/2005)
Mortgage Section

Post room

THURSDAY



LD3

L3VNERDO

19/07/2007

COMPANIES HOUSE

425

Short particulars of all the property mortgaged or charged

See continuation sheets

Please do not
write in
this margin

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

Particulars as to commission allowance or discount (note 3)

Nil.

Signed Alan J O'neill MP

Date 19/07/06

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

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

*† delete as
appropriate*

Notes

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

SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED

1. CREATION OF SECURITY

1.1 Land

- (a) The Chargor charged by way of a first legal mortgage the property specified in the Schedule to this Form 395 under the heading Real Property
- (b) A reference in this subclause to a mortgage or charge of any freehold or leasehold property includes
 - (i) all buildings and fixtures, fittings and fixed plant and machinery on that property in which the Chargor has an interest, and
 - (ii) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property or any moneys paid or payable in respect of those covenants

1.2 Confirmation

The Chargor confirms that, as security for the payment of the Secured Liabilities

- (a) it has charged in favour of the Facility Agent by way of first fixed charge the assets relating to the property specified in the Schedule to this Form 395 under the heading Real Property and referred to in clauses 2 3 (Securities) to 2 6 (Book Debts etc) (inclusive) and clause 2 10 (Miscellaneous) of the Original Security Agreement, and
- (b) it has assigned to the Facility Agent by way of security the assets relating to the property specified in the Schedule to this Form 395 under the heading Real Property and referred to in clauses 2 7 (Insurances) to 2 9 (Other Contracts) (inclusive) of the Original Security Agreement

Prop
-
95

2. INTERPRETATION

In this Form 395

Additional Counterparty means a bank or financial institution which becomes a Counterparty after the date of the Credit Agreement

Additional Property means any property which is

- (a) financed by a Loan in accordance with Subclause 3 1(b) (Purpose) of the Credit Agreement, or
- (b) accepted as alternative security under Subclause 18 6 (Substitution of Properties) of the Credit Agreement

Administration Services and Property Management Agreement means the administration services and property management agreement originally dated 31 October 2005 (as amended and restated on or about the date of the Credit Agreement) between, amongst others, the Administrative Agent, the Property Manager and the Company

Administrative Agent means PGS or such other administrative agent appointed by the Company with the approval of the Facility Agent, acting reasonably

Administrative Party means the Arranger or the Facility Agent

Agreement for Lease means an agreement to grant an Occupational Lease of all or part of a Property

Arranger means The Royal Bank of Scotland plc

Assignment of Rent means an assignment of rent entered into or to be entered into by the Company in favour of the Facility Agent

Company means PPH1 Limited

Consent Property means any leasehold property listed under the heading "Consent Properties" in Part 1 of Schedule 1 (Real Property) to the Deed

Counterparty means the Original Counterparty or an Additional Counterparty

Counterparty Accession Agreement means a letter, substantially in the form of Part 2 of Schedule 7 (Forms of Accession Documents) of the Credit Agreement, with such amendments as the Facility Agent may approve or reasonably require

Credit Agreement means the £332,320,246 credit agreement dated 27 November between, among others, the Chargor and the Facility Agent

Environmental Indemnity means an environmental deed of indemnity dated 31 October 2005 (as amended from time to time) between, amongst others, Pendragon, the Company and the Facility Agent

Event of Default means an event specified as such in Clause 21 (Default) of the Credit Agreement

Fee Letter means any letter entered into by reference to the Credit Agreement between one or more Administrative Parties and the Company setting out the amount of certain fees referred to in the Credit Agreement

Finance Document means

- (a) the Credit Agreement,
- (b) a Security Document,
- (c) any Hedging Arrangement,
- (d) the Financial Covenants and Repayment Letter,
- (e) a Subordination Agreement,
- (f) the Intercreditor Agreement,
- (g) a Fee Letter,
- (h) a Transfer Certificate,
- (i) a Counterparty Accession Agreement,
- (j) an Environmental Indemnity,

- (k) the Tax Indemnity, or
- (l) any other document designated as such by the Facility Agent and the Company

Finance Party means a Lender, a Counterparty or an Administrative Party

Financial Covenants and Repayment Letter means the amendment letter dated on or about 28 November 2006 to be entered into by the Company and the Facility Agent setting out certain details to be inserted in, respectively, Schedule 5 (Repayment Schedule) and Schedule 6 (Financial Covenants Schedule) of the Credit Agreement

Hedging Arrangements means any interest hedging arrangements entered into by the Company in connection with interest payable under the Credit Agreement

Intercreditor Agreement means the intercreditor agreement entered into or to be entered into by the Company in connection with the interest payable under the Credit Agreement

Issue Property means any Property listed in Schedule 9 to the Property Sale Agreement in relation to which certain issues remain, as at the date of the Credit Agreement, outstanding, such issues being specified in the Issues Schedule

Issues Schedule means Schedule 9 (Issues) of the Property Sale Agreement

Lease Document means

- (a) an Agreement for Lease,
- (b) a Principal Occupational Lease or any other Occupational Lease,
- (c) the Principal Tenant Guarantee, or
- (d) any other document designated as such by the Facility Agent and the Company

Lender means

- (a) the Original Lender, or
- (b) any person which becomes a Lender after the date of, and in accordance with, the Credit Agreement

Loan means, unless otherwise stated in the Credit Agreement, the principal amount of each borrowing under the Credit Agreement or the principal amount outstanding of that borrowing

Mortgage of Shares means a mortgage of the shares of the Company, substantially in the form of Schedule 9 (Form of Mortgage of Shares) of the Credit Agreement with such amendments as the Facility Agent may approve or reasonably require

Occupational Lease means any lease or licence or other right of occupation or right to receive rent to which a Property may at any time be subject

Original Counterparty means The Royal Bank of Scotland plc

Original Lender means National Westminster Bank PLC

Original Property means each property listed in Part 2 and Part 3 of Schedule 1 (Original Parties and Properties) of the Credit Agreement as described in a Security Document and, where the context so requires, includes the buildings on that Original Property

Original Security Agreement means the Security Agreement dated 22 December 2006 between the Chargor and the Facility Agent by which the Chargor charged by way of first legal mortgage, first mortgage, first fixed charge and assignment by way of security certain of its assets as security for, amongst other things, the present and future obligations and liabilities of the Company under the Finance Documents (as amended or supplemented)

Pendragon means Pendragon PLC (registered number 02304195)

PGS means Pendragon Group Services Limited (registered number 03836123)

Principal Occupational Lease means each agreed form Occupational Lease entered into or to be entered into between the Company and the Principal Tenant in respect of a Property

Principal Tenant means Pendragon Property Holdings Limited (registered number 03437114)

Principal Tenant Guarantee means an agreed form guarantee agreement between Pendragon (as guarantor) and the Company in respect of the obligations of the Principal Tenant under each Principal Occupational Lease

Property means an Original Property or an Additional Property

Property Manager means Pendragon Management Services Limited (registered number 2188992) or any other property manager appointed by the Company in respect of a Property with the approval of the Facility Agent, acting reasonably

Property Sale Agreement means the property sale agreement between, among others, the Company and Pendragon dated on or about the date of the Credit Agreement

Rental Income means the aggregate of all amounts paid or payable to or for the account of the Company in connection with the letting of any part of a Property, including each of the following amounts

- (a) rent, licence fees and equivalent amounts paid or payable,
- (b) any sum received or receivable from any deposit held as security for performance of a tenant's obligations,
- (c) a sum equal to any apportionment of rent allowed in favour of the Company,
- (d) any other moneys paid or payable in respect of occupation and/or usage of that Property and any fixture and fitting on that Property including any fixture or fitting on that Property for display or advertisement, on licence or otherwise,
- (e) any sum paid or payable under any policy of insurance in respect of loss of rent or interest on rent,
- (f) any sum paid or payable, or the value of any consideration given, for the surrender or variation of any Lease Document,
- (g) any sum paid or payable by any guarantor of any occupational tenant under any Lease Document,

- (h) any Tenant Contributions, and
- (i) any interest paid or payable on, and any damages, compensation or settlement paid or payable in respect of, any sum referred to above less any related fees and expenses incurred (which have not been reimbursed by another person) by the Company

Security means any security created by the Deed

Security Agreement means a security agreement in the form of Schedule 8 (Form of Security Agreement) of the Credit Agreement with such amendments as the Facility Agent may approve or reasonably require

Security Assets means all assets of the Chargor the subject of any security created by the Deed

Security Document means

- (a) a Security Agreement,
- (b) a Mortgage of Shares,
- (c) a Standard Security,
- (d) an Assignment of Rent,
- (e) a Supplemental Security Agreement, or
- (f) any other document designated as such by the Facility Agent and the Company

Security Interest means any mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having a similar effect

Standard Security means a standard security entered into or to be entered into by the Company in favour of the Facility Agent

Subordination Agreement means a subordination agreement, substantially in the form of Schedule 10 (Form of Subordination Agreement) of the Credit Agreement with such amendments as the Facility Agent may approve or reasonably require

Supplemental Security Agreement means a supplemental security agreement in the form of Schedule 11 (Form of Supplemental Security Agreement) of the Credit Agreement with such amendments as the Facility Agent may approve or reasonably require

Tax Indemnity means the tax deed originally dated 31 October, 2005 (as amended and restated on or about the date of the Credit Agreement) between, amongst others, Pendragon, the Company and the Facility Agent

Tenant Contributions means any amount paid or payable to the Company by any tenant under a Lease Document or any other occupier of a Property, by way of

- (a) contribution to
 - (i) ground and headlease rent,
 - (ii) insurance premia,

- (iii) the cost of an insurance valuation,
 - (iv) a service charge in respect of the Company's costs under any repairing or similar obligation or in providing services to a tenant of, or with respect to, a Property, or
 - (v) a sinking fund, or
- (b) value added tax or similar taxes

Transfer Certificate means a certificate, substantially in the form of Part 1 of Schedule 7 (Forms of Accession Documents) of the Credit Agreement, with such amendments as the Facility Agent may approve or reasonably require or any other form agreed between the Facility Agent and the Company

SCHEDULE

REAL PROPERTY

All that freehold and leasehold property situate at and known as 484-608 Penistone Road Sheffield as the same is registered at the Land Registry as to the freehold with title absolute under title number SYK341846 and as to the leasehold with title absolute under title numbers SYK194828 and SYK69336

FILE COPY



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

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

COMPANY No 05410412

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SUPPLEMENTAL SECURITY AGREEMENT DATED 16 JULY 2007 DATED THE 18th JULY 2007 AND CREATED BY PPH1 LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO ANY FINANCE PARTY ON ANY ACCOUNT WHATSOEVER UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 19th JULY 2007

GIVEN AT COMPANIES HOUSE, CARDIFF THE 24th JULY 2007



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES