



Registration of a Charge

Company name: **PRIORY EDUCATION SERVICES LIMITED**

Company number: **06244880**



X9YGI5JE

Received for Electronic Filing: **16/02/2021**

Details of Charge

Date of creation: **09/02/2021**

Charge code: **0624 4880 0010**

Persons entitled: **MPT UK FINANCE CO LIMITED**

Brief description: **WOODBURY HOUSE, YARKHILL, HEREFORD HR1 3SU (TITLE NUMBER: HE10885) AND HIGHBURY HOUSE, DINEDOR, HEREFORD HR2 6PD (TITLE NUMBER: HE29736)**

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **SUZANNE HOOKS**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 6244880

Charge code: 0624 4880 0010

The Registrar of Companies for England and Wales hereby certifies that a charge dated 9th February 2021 and created by PRIORY EDUCATION SERVICES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 16th February 2021 .

Given at Companies House, Cardiff on 18th February 2021

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Dated ⁹_____ February 2021

PRIORY EDUCATION SERVICES LIMITED
as the Company

in favour of

MPT UK FINANCE CO LIMITED
as the Lender

LEGAL MORTGAGE

THIS DEED is made on 9 February 2021 **BETWEEN:**

- (1) **PRIORY EDUCATION SERVICES LIMITED**, a company registered in England with company number 06244880 and its registered office at Fifth Floor, 80 Hammersmith Road, London, England, W14 8UD (the "**Company**"),

in favour of:

- (2) **MPT UK FINANCE CO LIMITED**, a company registered in England with company number 13097120 and its registered office at First Floor, Senator House, 85 Queen Victoria Street, London EC4V 4AB (the "**Lender**").

BACKGROUND:

It is intended that this document takes effect as a deed notwithstanding the fact that a Party may only execute this document under hand.

THE PARTIES AGREE as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 Terms defined in the Facilities Agreement shall, unless otherwise defined in this Deed, have the same meaning in this Deed and in addition:

"**Act**" means the Law of Property Act 1925;

"**Collateral Rights**" means all rights, powers and remedies of the Lender provided by or pursuant to this Deed;

"**Dispute**" has the meaning given to that term in Clause 23.1 (*English courts*);

"**Facilities Agreement**" means the facilities agreement dated 30 December 2020 (as amended, varied, novated or supplemented from time to time) between, among others, the Lender and Standbyco Topholding 26 B.V.;

"**Framework Agreement**" means the co-investment framework agreement dated 30 December 2020 (as amended, varied, novated or supplemented from time to time) between Waterland Private Equity Fund VII C.V. and MPT Operating Partnership, L.P.;

"**Mortgaged Property**" means:

- (a) each property specified in Schedule 1 (*Details of Mortgaged Property*); and
- (b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of each such property,

and includes all Related Rights;

"**Party**" means a party to this Deed;

"**Receiver**" means a receiver or receiver and manager or (where permitted by law) administrative receiver of the whole or any part of the Mortgaged Property and that term will include any appointee made under a joint and / or several appointment;

"**Related Rights**" means, in relation to any asset:

- (a) the proceeds of sale of any part of that asset;

- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, benefits, claims, contracts, warranties, remedies, security, indemnities or covenants for title in respect of that asset; and
- (d) any monies and proceeds paid or payable in respect of that asset; and

"Secured Obligations" means all present and future obligations and liabilities (whether actual or contingent and whether owed solely, jointly or severally or as principal or surety or in any other capacity whatsoever) of each Obligor and each other provider of Security under any Finance Document, in each case to the Lender under each Finance Document.

1.2 In this Deed:

- (a) the rules of interpretation contained in clause 20 (*Construction*) of the Facilities Agreement shall apply to the construction of this Deed;
- (b) any reference to the Lender, the Company or any other person shall be construed so as to include its or their (and any subsequent) successors and any permitted transferees in accordance with their respective interests; and
- (c) references to any **"Clause"** or **"Schedule"** shall be to a clause of, or schedule to, this Deed.

1.3 **Third party rights**

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

1.4 **Inconsistency**

In the event of any inconsistency arising between any of the provisions of this Deed and the Facilities Agreement, the provisions of the Facilities Agreement shall prevail.

1.5 **Disposition of property**

The terms of the other Finance Documents and of any side letters between the Parties in relation to the Finance Documents are incorporated into this Deed to the extent required for any purported disposition of the Mortgaged Property to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

2. **COVENANT TO PAY**

The Company covenants with the Lender that it shall, on demand of the Lender, pay, discharge and satisfy the Secured Obligations in full in accordance with their respective terms.

3. **CHARGE BY WAY OF LEGAL MORTGAGE**

The Company hereby charges with full title guarantee in favour of the Lender as security for the payment and discharge of the Secured Obligations, by way of legal mortgage, all the Company's right, title and interest from time to time in and to the Mortgaged Property.

4. **PERFECTION OF SECURITY**

4.1 **Notices of charge**

The Company shall deliver (or procure delivery), in respect of any of the Mortgaged Property which is leasehold, to the Lender and / or any landlord of the relevant Mortgaged Property a

notice of charge substantially in the form set out in Schedule 2 (*Form of notice of charge*) promptly following the date of this Deed or promptly upon the Company entering into a lease relating to the Mortgaged Property and in each case the Company shall use all reasonable endeavours to procure that each such notice is acknowledged promptly by that person specified by the Lender.

4.2 **Delivery of documents of title**

The Company shall, as soon as reasonably practicable following the execution of this Deed, in respect of any of the Mortgaged Property which is unregistered with the Land Registry, deliver to the Lender (or procure delivery of), and the Lender shall be entitled to hold and retain, all deeds, certificates and other documents of title relating to the Mortgaged Property.

4.3 **Application to the Land Registry**

The Company hereby consents to an application being made to the Chief Land Registrar to enter the following restriction in the Proprietorship register of any property which is, or is required to be, registered forming part of the Mortgaged 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 MPT UK Finance Co Limited or its duly authorised conveyancer."

4.4 **Further advances**

- (a) Subject to the terms of the Facilities Agreement, the Lender is under an obligation to make further advances to the Company and that obligation will be deemed to be incorporated into this Deed as if set out in this Deed.
- (b) The Company consents to an application being made to the Chief Land Registrar to enter the obligation to make further advances on the Charges Register of any registered land forming part of the Mortgaged Property.

5. **FURTHER ASSURANCE**

5.1 **Necessary action**

The Company shall at its own expense take all such action as is available to it (including making all filings and registrations) as the Lender may properly consider expedient for the purpose of the creation, perfection, protection, confirmation or maintenance of any security created or intended to be created in favour of the Lender by or pursuant to this Deed.

5.2 **Consent of third parties**

The Company shall use all reasonable endeavours to obtain (in form and content reasonably satisfactory to the Lender) as soon as possible any consents necessary to enable the Mortgaged Property to be the subject of an effective charge by way of legal mortgage pursuant to Clause 3 (*Charge by way of legal mortgage*) and, immediately upon obtaining any such consent, the Mortgaged Property shall become subject to that security and the Company shall promptly deliver a copy of each such consent to the Lender.

5.3 **Implied covenants for title**

- (a) The obligations of the Company under this Deed shall be in addition to the covenants for title deemed to be included in this Deed by virtue of part 1 of the Law of Property (Miscellaneous Provisions) Act 1994.

- (b) The covenants set out in sections 3(1) and (2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to Clause 3 (*Charge by way of legal mortgage*).
- (c) It shall be implied in respect of Clause 3 (*Charge by way of legal mortgage*) that the Company is disposing of the Mortgaged Property free from all charges and incumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment).

5.4 **Value of security**

The Company shall not do or cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value of the security created or intended to be created by this Deed.

6. **NEGATIVE PLEDGE AND DISPOSALS**

6.1 **Security**

Except as permitted by or pursuant to the Facilities Agreement, the Company shall not, at any time during the subsistence of this Deed, create or permit to subsist any Security over all or any part of the Mortgaged Property other than Permitted Security.

6.2 **No disposal of interests**

The Company shall not (and shall not agree to) at any time during the subsistence of this Deed, except as permitted by or pursuant to the Facilities Agreement:

- (a) execute any conveyance, transfer, lease or assignment of, or other right to use or occupy, all or any part of the Mortgaged Property;
- (b) create any legal or equitable estate or other interest in, or over, or otherwise relating to, all or any part of the Mortgaged Property;
- (c) grant or vary, or accept any surrender, or cancellation or disposal of, any lease, tenancy, licence, consent or other right to occupy in relation to all or any part of the Mortgaged Property;
- (d) do, or omit to do, any other act or thing which may, in each case, adversely affect the value of the Mortgaged Property or the ability of the Lender to exercise any of the Collateral Rights; or
- (e) lend or otherwise dispose of, or grant any rights (whether of pre-emption or otherwise) over, all or any part of the Mortgaged Property.

7. **ENFORCEMENT OF SECURITY**

7.1 **Enforcement**

At any time after the occurrence of an Event of Default which is continuing or if the Company requests the Lender to exercise any of its powers under this Deed, the security created by or pursuant to this Deed is immediately enforceable and the Lender may, without notice to the Company or prior authorisation from any court, in its absolute discretion:

- (a) enforce all or any part of that security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Mortgaged Property and the Lender (or its nominee(s)) shall have an immediate and absolute power of sale or other disposition over the Mortgaged Property; and

- (b) whether or not it has appointed a Receiver, exercise all or any of the powers, authorities and discretions conferred by the Act (as varied or extended by this Deed) on mortgagees and by this Deed on any Receiver or otherwise conferred by law on mortgagees or Receivers.

7.2 No liability as mortgagee in possession

Neither the Lender nor any of its nominees nor any Receiver shall be liable to account as a mortgagee in possession in respect of all or any part of the Mortgaged Property or be liable for any loss upon realisation or for any neglect, default or omission in connection with the Mortgaged Property to which a mortgagee or mortgagee in possession might otherwise be liable.

7.3 Effect of moratorium

The Lender shall not be entitled to exercise its rights under Clause 7.1 (*Enforcement*) or Clause 9.1 (*Appointment and removal*) where the right arises as a result of an Event of Default occurring solely due to any person obtaining or taking steps to obtain a moratorium pursuant to schedule A1 to the Insolvency Act 1986.

8. EXTENSION AND VARIATION OF THE ACT

8.1 Extension of powers

The power of sale or other disposal conferred on the Lender, its nominee(s) and any Receiver by this Deed shall operate as a variation and extension of the statutory power of sale under section 101 of the Act and that power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of this Deed.

8.2 Restrictions

The restrictions contained in sections 93 and 103 of the Act shall not apply to this Deed or to the exercise by the Lender of its right to consolidate all or any of the security created by or pursuant to this Deed with any other security in existence at any time or to its power of sale, which powers may be exercised by the Lender without notice to the Company on or at any time after the occurrence of an Event of Default which is continuing.

8.3 Power of leasing

The statutory powers of leasing may be exercised by the Lender at any time on or after the occurrence of an Event of Default which is continuing and the Lender and any Receiver may make any lease or agreement for lease, accept surrenders of leases and grant options on such terms as it shall think fit, without the need to comply with any restrictions imposed by sections 99 and 100 of the Act.

8.4 Transfer of security

- (a) At any time after the occurrence of an Event of Default which is continuing, the Lender may:
 - (i) redeem any prior security against any of the Mortgaged Property;
 - (ii) procure the transfer of any such security to itself; or
 - (iii) settle and pass the accounts of the prior mortgagee or charge and any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the Company.

- (b) The Company shall pay to the Lender immediately on demand the costs and expenses incurred by the Lender in taking any action contemplated by paragraph (a) above, including the payment of any principal or interest.

8.5 **Suspense account**

If the security created by this Deed is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, the Lender (or any Receiver) may pay the proceeds of any recoveries effected by it into a suspense account.

9. **APPOINTMENT OF RECEIVER OR ADMINISTRATOR**

9.1 **Appointment and removal**

After the occurrence of an Event of Default which is continuing or if a petition or application is presented for the making of an administration order in relation to the Company or if any person who is entitled to do so gives written notice of its intention to appoint an administrator of the Company or files such a notice with the court or if requested to do so by the Company, the Lender may by deed or otherwise (acting through an authorised officer of the Lender), without prior notice to the Company:

- (a) appoint one or more persons to be a Receiver of the whole or any part of the Mortgaged Property;
- (b) appoint two or more Receivers of separate parts of the Mortgaged Property;
- (c) remove (so far as it is lawfully able) any Receiver so appointed; and
- (d) appoint another person(s) as an additional or replacement Receiver(s).

9.2 **Capacity of Receivers**

Each person appointed to be a Receiver pursuant to Clause 9.1 (*Appointment and removal*) shall be:

- (a) entitled to act individually or together with any other person appointed or substituted as Receiver;
- (b) for all purposes shall be deemed to be the agent of the Company which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for the Lender; and
- (c) entitled to remuneration for his services at a rate to be fixed by the Lender from time to time (without being limited to the maximum rate specified by the Act).

9.3 **Statutory powers of appointment**

The powers of appointment of a Receiver shall be in addition to all statutory and other powers of appointment of the Lender under the Act (as extended by this Deed) or otherwise and those powers shall remain exercisable from time to time by the Lender in respect of any part of the Mortgaged Property and, except as provided in Clause 7.3 (*Effect of moratorium*), any restriction imposed by law on the right of a mortgagee to appoint a receiver (including under section 109(1) of the Act) does not apply to this Deed.

10. **POWERS OF RECEIVER**

Every Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of the Company) have and be entitled to exercise, in relation to the Mortgaged Property in respect of which he was appointed, and as

varied and extended by the provisions of this Deed (in the name of or on behalf of the Company or in his own name and, in each case, at the cost of the Company):

- (a) all the powers conferred by the Act on mortgagors and on mortgagees in possession and on receivers appointed under the Act;
- (b) all the powers of an administrative receiver set out in schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- (c) all the powers and rights of an absolute owner of the Mortgaged Property and power to do or omit to do anything which the Company itself could do or omit to do in respect of the Mortgaged Property; and
- (d) the power to do all things (including bringing or defending proceedings in the name or on behalf of the Company) which seem to the Receiver to be incidental or conducive to:
 - (i) any of the functions, powers, authorities or discretions conferred on or vested in him; or
 - (ii) the exercise of the Collateral Rights (including realisation of all or any part of the Mortgaged Property).

11. APPLICATION OF MONIES

All monies received or recovered by the Lender, its nominee(s) or any Receiver pursuant to this Deed or the powers conferred by it shall (subject to the claims of any person having prior rights and by way of variation of the provisions of the Act) be applied first in the payment of the costs, charges and expenses incurred and payments made by the Receiver, the payment of his remuneration and the discharge of any liabilities incurred by the Receiver in, or incidental to, the exercise of any of his powers, and thereafter shall be applied by the Lender (notwithstanding any purported appropriation by the Company) against the Secured Obligations.

12. PROTECTION OF PURCHASERS

12.1 Consideration

The receipt of the Lender, its nominee(s) or any Receiver shall be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Mortgaged Property or making any acquisition, the Lender, its nominee(s) or any Receiver may do so for such consideration, in such manner and on such terms as it thinks fit.

12.2 Protection of purchasers

No purchaser or other person dealing with the Lender, its nominee(s) or any Receiver shall be bound to enquire whether the right of the Lender, such nominee(s) or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the Lender, such nominee(s) or such Receiver in such dealings.

13. POWER OF ATTORNEY

13.1 Appointment and powers

The Company by way of security irrevocably appoints the Lender and any Receiver severally to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents and do all things which the attorney may consider to be required or desirable for:

- (a) carrying out any obligation imposed on the Company by this Deed; and
- (b) enabling the Lender and any Receiver to exercise, or delegate the exercise of, any of the rights, powers, authorities and discretions conferred on them by or pursuant to this Deed or by law (including, after the occurrence of an Event of Default which is continuing the exercise of any right of a legal or beneficial owner of the Mortgaged Property) and (without prejudice to the generality of the preceding) to execute as a deed or under hand and deliver and otherwise perfect any deed, assurance, agreement, instrument or act which it may reasonably deem proper in or for the purpose of exercising any of such rights, powers, authorities and discretions.

13.2 **Exercise of power of attorney**

The Lender may only exercise the power of attorney granted pursuant to Clause 13.1 (*Appointment and powers*) in the circumstances described in Clause 13.1(b) (*Appointment and powers*) after the occurrence of an Event of Default which is continuing.

13.3 **Ratification**

The Company shall ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers.

13.4 **Lender's power to remedy breaches**

If at any time the Company fails to perform any of the covenants contained in this Deed (prior to the occurrence of an Event of Default which is continuing) within five Business Days of being requested to do so by the Lender, it shall be lawful for the Lender, but the Lender shall have no obligation, to take such action on behalf of the Company (including, without limitation, the payment of money) as may in the Lender's reasonable opinion be required to ensure that such covenants are performed and any losses, costs, charges and expenses incurred by the Lender in taking such action shall be reimbursed by the Company on demand.

14. **EFFECTIVENESS OF SECURITY**

14.1 **Continuing security**

- (a) The security created by or pursuant to this Deed shall remain in full force and effect as a continuing security for the Secured Obligations unless and until the Secured Obligations have been irrevocably and unconditionally discharged in full and the Finance Parties have no further obligation to make any advance available to any Obligor pursuant to any Finance Document.
- (b) No part of the security from time to time intended to be constituted by this Deed will be considered satisfied or discharged by any intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations.

14.2 **Cumulative rights**

The security created by or pursuant to this Deed and the Collateral Rights shall be cumulative, in addition to and independent of every other security which the Lender may at any time hold for the Secured Obligations or any other obligations or any rights, powers and remedies provided by law and no prior security held by the Lender over the whole or any part of the Mortgaged Property shall merge into the security constituted by this Deed.

14.3 **No prejudice**

The security created by or pursuant to this Deed and the Collateral Rights shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to the Company or any other person or the Lender or by any

variation of the terms of the trust upon which the Lender holds the security or by any other thing which might otherwise prejudice that security or any Collateral Right.

14.4 Remedies and waivers

No failure on the part of the Lender to exercise, or any delay on its part in exercising, any Collateral Right shall operate as a waiver of that Collateral Right nor shall any single or partial exercise of any Collateral Right preclude any further or other exercise of that or any other Collateral Right.

14.5 No liability

None of the Lender, its nominee(s) or any Receiver shall be liable by reason of taking any action permitted by this Deed, any neglect or default in connection with the Mortgaged Property or taking possession of or realising all or any part of the Mortgaged Property.

14.6 Partial invalidity

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, none of the legality, validity or enforceability of the remaining provisions of this Deed or of that provision under the laws of any other jurisdiction shall in any way be affected or impaired by the same and, if any part of the security intended to be created by or pursuant to this Deed is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the security.

14.7 Waiver of defences

The obligations of the Company under this Deed will not be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this Deed (without limitation and whether or not known to it or the Lender) including:

- (a) any time, indulgence, waiver or consent granted to, or composition with, any person;
- (b) the release of any person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any 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 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 or of the Secured Obligations (including, without limitation, any increase to the Secured Obligations as may be agreed by any member of the Group from time to time);
- (f) any unenforceability, illegality, invalidity, voidability or non-provability of any obligation of any person under any Finance Document or any other document or security or of the Secured Obligations; or
- (g) any insolvency or similar proceedings.

14.8 Immediate recourse

The Company waives any right it may have of first requiring the Lender or any agent on its behalf to proceed against the Company or any other person or enforce any other rights or security or claim payment from any person before claiming from the Company under this Deed and this waiver applies irrespective of any law or any provision of this Deed to the contrary.

14.9 Deferral of rights

Until such time as the Secured Obligations have been discharged in full, the Company will not exercise any rights which it may have by reason of performance by it of its obligations under this Deed:

- (a) to be indemnified by any Obligor;
- (b) to claim any contribution from any guarantor of any Obligor's obligations under this Deed; or
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, this Deed or any Mortgage by the Lender.

15. RELEASE OF SECURITY**15.1 Redemption of security**

The Lender shall, at the request and cost of the Company, release and cancel (in part or in whole, as applicable) the security constituted by this Deed, in each case subject to Clause 15.2 (*Avoidance of payments*) and without recourse to, or any representation or warranty by, the Lender or any of its nominees on the earliest of:

- (a) any of the Mortgaged Property being designated as an Excluded Property (as defined in the Framework Agreement) in accordance with the terms of section IV (*Implementation of the sale and leaseback*) of the Framework Agreement and part III of annex 10 to the Framework Agreement;
- (b) any of the Mortgaged Property not being included in the SLB List (as defined in the Framework Agreement) in accordance with the terms of section IV (*Implementation of the sale and leaseback*) of the Framework Agreement and part III of annex 10 to the Framework Agreement
- (c) the Secured Obligations being discharged in full and the Lender being under no further actual or contingent obligation to make advances or provide other financial accommodation to the Company or any other person under any agreement between the Lender and the Company.

15.2 Avoidance of payments

If the Lender reasonably considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws the liability of the Company under, and the security constituted by, this Deed shall continue and such amount shall not be considered to have been irrevocably paid.

16. SET-OFF

- 16.1 The Company authorises the Lender (but the Lender shall not be obliged to exercise this right) to set off against the Secured Obligations any amount or other obligation (contingent or otherwise) owing by the Lender to the Company.

16.2 Without prejudice to any right of set-off the Lender may have under any other Finance Document or otherwise, if any time deposit matures on any account the Company has with the Lender prior to the release of any or all of the Mortgaged Property pursuant to Clause 15.1 (*Redemption of security*) when:

- (a) an Event of Default has occurred and is continuing; and
- (b) no Secured Obligation is due and payable,

that time deposit will automatically be renewed for any further maturity which the Lender considers appropriate.

17. **SUBSEQUENT SECURITY INTERESTS**

If the Lender at any time receives or is deemed to have received notice of any subsequent Security affecting all or any part of the Mortgaged Property or any assignment or transfer of all or any part of the Mortgaged Property which is prohibited by the terms of this Deed or the Facilities Agreement, all payments made thereafter by or on behalf of the Company to the Lender shall be treated as having been credited to a new account of the Company and not as having been applied in reduction of the Secured Obligations as at the time when the Lender received such notice.

18. **ASSIGNMENT**

No Party shall be entitled to assign or transfer its rights or obligations under this Deed to any third party, in whole or in part, without each other Party's prior written consent, except that the Lender may assign and / or transfer its rights and / or obligations under this Deed, in whole or in part, to an Affiliate upon prior written notice to the Company.

19. **NOTICES**

The provisions of clause 18.3 (*Miscellaneous*) of the Facilities Agreement shall apply to this Deed *mutatis mutandis*.

20. **DISCRETION AND DELEGATION**

20.1 **Discretion**

Any liberty or power which may be exercised or any determination which may be made under this Deed by the Lender or any Receiver may be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

20.2 **Delegation**

Each of the Lender and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Deed (including the power of attorney) on such terms and conditions as it shall see fit which delegation shall not preclude either the subsequent exercise any subsequent delegation or any revocation of such power, authority or discretion by the Lender or the Receiver itself and neither the Lender nor any Receiver shall be in any way liable or responsible to the Company for any loss or damage arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate.

21. **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.

22. **GOVERNING LAW**

This Deed and all matters, including non-contractual obligations, arising out of or in connection with it are governed by English law.

23. **JURISDICTION**

23.1 **English courts**

The courts of England have exclusive jurisdiction to settle any dispute arising out of, or connected with this Deed (including a dispute regarding the existence, validity or termination of this Deed or the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Deed) (a "**Dispute**").

23.2 **Convenient forum**

The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes between them and, accordingly, that they will not argue to the contrary.

23.3 **Exclusive jurisdiction**

This Clause 23 is for the benefit of the Lender only and, as a result and notwithstanding Clause 23.1 (*English courts*), it does not prevent the Lender from taking proceedings relating to a Dispute in any other courts with jurisdiction and so to the extent allowed by law the Lender 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
Details of Mortgaged Property

Address and / or description of property	County and district / London borough	Title number
Woodbury House, Yarkhill, Hereford HR1 3SU	Herefordshire	HE10885
Highbury House, Dinedor, Hereford HR2 6PD	Herefordshire	HE29736

SCHEDULE 2
Form of notice of charge

To: **[Landlord]**

Date: **[•]**

PURSUANT TO the lease of which particulars appear in paragraph 1 below, **NOTICE IS HEREBY GIVEN** that the disposition of which particulars appear in paragraph 2 below has taken place.

1. LEASE	
1.1 Date:	[•]
1.2 Term:	[•]
1.3 Parties:	[•]
1.4 Demised premises:	[•]
2. DISPOSITION	Charge by way of legal mortgage contained in a Legal Mortgage
2.1 Date:	[•]
2.2 Parties:	(1) PRIORY EDUCATION SERVICES LIMITED as the Company; and (2) MPT UK Finance Co Limited as the Lender
2.3 Name and address of the Lender:	MPT UK Finance Co Limited First Floor, Senator House 85 Queen Victoria Street London EC4V 4AB

NOTES:

[1. The registration fee is enclosed.]

[1 / 2]. It is requested that notice be given to the Lender of any breach of covenant by the tenant under the lease.

[2 / 3]. This notice is sent in duplicate and it is requested that one copy is signed as provided below and returned to the Lender.

Signed:
for and on behalf of
[•]

RECEIVED a notice of which this is a duplicate:

Signed:
[**LANDLORD**]

Date:

SIGNATURES TO LEGAL MORTGAGE

Company

EXECUTED and **DELIVERED** as a **DEED** by
PRIORY EDUCATION SERVICES LIMITED

acting by two directors or one director and the company secretary

Director: TREVOR TORRINGTON

Director/Secretary: Dave Hall

Lender

EXECUTED and **DELIVERED** as a **DEED** by
MPT UK FINANCE CO LIMITED

acting by two directors

Director: Donna Shorto

Director: James Barber-Lomax