



**Registration of a Charge**

Company Name: **LEEDS PLYWOOD & DOORS LIMITED**

Company Number: **02042982**



XB5OEUBN

Received for filing in Electronic Format on the: **07/06/2022**

**Details of Charge**

Date of creation: **01/06/2022**

Charge code: **0204 2982 0022**

Persons entitled: **HELEN GORDON AND LISA GORDON**

Brief description: **NONE**

**Contains fixed charge(s).**

**Contains floating charge(s) (floating charge covers all the property or undertaking of the company).**

**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: **LUPTON FAWCETT LLP**



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

Company number: 2042982

Charge code: 0204 2982 0022

The Registrar of Companies for England and Wales hereby certifies that a charge dated 1st June 2022 and created by LEEDS PLYWOOD & DOORS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 7th June 2022 .

Given at Companies House, Cardiff on 9th June 2022

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**

**PRIVATE & CONFIDENTIAL**



**Dated**

**1 June 2022**

**(1) LPD GROUP HOLDINGS LTD**

**(2) LPD (HOLDINGS) LIMITED and LEEDS PLYWOOD & DOORS LIMITED**

**and**

**(3) HELEN GORDON and LISA GORDON**

# **COMPOSITE GUARANTEE AND DEBENTURE**

**THIS DEED IS SUBJECT TO THE TERMS OF AN INTERCREDITOR DEED DATED ON OR ABOUT THE DATE OF THIS DEED**

Lupton Fawcett LLP  
Yorkshire House  
East Parade  
Leeds  
LS1 5BD  
Tel: 0113 280 2000  
[www.luptonfawcett.law](http://www.luptonfawcett.law)

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**THIS COMPOSITE GUARANTEE AND DEBENTURE** is made on

1 June 2022

**BETWEEN:**

- (1) **LPD GROUP HOLDINGS LTD** incorporated and registered in England and Wales with company number 13809456 whose registered office is at Leeds Plywood & Doors Limited, Midland Road, Leeds, West Yorkshire LS10 2RJ (the "**Company**");
- (2) **LPD GROUP HOLDINGS LTD** incorporated and registered in England and Wales with company number 13809456 whose registered office is at Leeds Plywood & Doors Limited, Midland Road, Leeds, West Yorkshire LS10 2RJ, **LPD (HOLDINGS) LIMITED** incorporated and registered in England and Wales with company number 06500273 whose registered office is at Leeds Plywood & Doors Ltd, Midland Road, Leeds, West Yorkshire LS10 2RJ and **LEEDS PLYWOOD & DOORS LIMITED** incorporated and registered in England and Wales with company number 02042982 whose registered office is at Midland Road, Hunslet, Leeds, West Yorkshire LS10 2RJ (each a "**Chargor**" and together the "**Chargors**"); and
- (3) **HELEN GORDON** of 16 Creskeld Lane, Bramhope, Leeds, LS16 9EX and **LISA GORDON** of 171 Adel Lane, Leeds, LS16 8BY (each a "**Chargee**" and together the "**Chargees**").

**IT IS AGREED** as follows:

**1 Definitions and Interpretations**

- 1.1 In this deed, unless the context otherwise requires, the following words and expressions shall have the following meanings:

<b>"Account"</b>	has the meaning given to it in clause 3.4.9 (First fixed charges).
<b>"Additional Consideration"</b>	means any additional consideration payable to the Chargees under and in accordance with clause 11 of the Share Purchase Agreement.

<b>"Authorisation"</b>	means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration, or any other similar permission.
<b>"Business Day"</b>	means a day (other than a Saturday or Sunday) on which banks are open for general business in London.
<b>"CA2006"</b>	means the Companies Act 2006.
<b>"Chattels"</b>	has the meaning given to it in clause 3.4.4 (First fixed charges).
<b>"Debts"</b>	has the meaning given to it in clause 3.4.8 (First fixed charges).
<b>"Event of Default"</b>	<p>means:</p> <ul style="list-style-type: none"><li>(a) any event or circumstance specified as an event of default under the Loan Note Instruments; and</li><li>(b) the Company fails to pay any amount of Additional Consideration due and payable to the Chargees in accordance with the terms of the Share Purchase Agreement.</li></ul>
<b>"Finance Document"</b>	means the Loan Note Instruments, any loan note certificate issued to a Chargee under the Loan Note Instruments, the Share Purchase Agreement and this deed.
<b>"Fixtures"</b>	means in respect of any Secured Property, all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery now or at any time after the date of this deed on that Secured Property.
<b>"Floating Charge Assets"</b>	means all the assets and undertaking from time to time subject to the floating charge created under clause 3.5

(Floating charge).

**"Insurance Policies"**

means in respect of a Chargor all policies of insurance present and future in which it has an interest.

**"Intellectual Property"**

means:

- (a) any patents, trademarks, service marks, designs, business names, copyrights, database rights, design rights, topography rights, domain names, moral rights, inventions, confidential information, knowhow and any other associated or similar intellectual property rights and interests anywhere in the world (which may now or in the future subsist), and in each case whether registered or unregistered; and
- (b) the benefit of all applications, rights to apply for and rights to use such assets (including, without limitation, any licences and sub-licences of the same granted by it or to it) of each Chargor (which may now or in the future subsist).

**"Intercreditor Deed"**

means the intercreditor deed entered into between (1) the Company, (2) the Chargors, (3) HSBC UK Bank plc and (4) the Chargees dated on or about the date of this deed.

**"Investments"**

means any shares, stocks, debenture security, securities, bonds and investments of any type (other than the Subsidiary Shares) whatever, whether certificated or uncertificated, physical or dematerialised, registered or unregistered, held by the Chargor or by a trustee or clearance system or nominee.



**"Loan Note Instruments"**

means:

- (a) the loan note instrument of the Company relating to £11,000,000 secured floating rate loan notes 2026 of £1 each dated on or about the date of this deed; and
- (b) the loan note instrument of the Company relating to £4,000,000 secured floating rate loan notes 2022 of £1 each dated on or about the date of this deed.

**"Party"**

means a party to this deed.

**"Permitted Security"**

means Security granted by any Chargor in favour of HSBC UK Bank plc and security that is otherwise permitted pursuant to the Senior Facility Agreement.

**"Planning Acts"**

means the Town and Country Planning Acts 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991, the Planning and Compulsory Purchase Act 2004 and any regulations or subordinate legislation made under any of the foregoing and any other statute or regulation governing or controlling the use or development of land and buildings.

**"Premises"**

means any building on a Secured Property.

**"Properties"**

mean the properties listed in Schedule 1 (Properties).

**"Receiver"**

means any receiver, manager or administrative receiver appointed by the Chargees in respect of any Chargor or any of the Secured Assets.

**"Related Rights"**

means, in respect of any Investment or Subsidiary Share:

- (a) all monies paid or payable in respect of that Investment or Subsidiary Share (whether as income, capital or otherwise);
- (b) all shares, investments or other assets derived from that Investment or Subsidiary Share; and
- (c) all rights derived from or incidental to that Investment or Subsidiary Share.

**"Relevant Agreement"**

means each agreement designated as a Relevant Agreement by the Chargees and the Company in writing.

**"Relevant Policies"**

means all Insurance Policies (other than policies in respect of third party liability) together with all monies payable in respect of those policies.

**"Secured Assets"**

means in respect of any Chargor, all of its assets and undertaking the subject of any Security created by, under or supplemental to, this deed in favour of the Chargees.

**"Secured Obligations"**

means all present and future obligations and liabilities of the Company to the Chargees, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity (a) under or in connection with the Loan Note Instruments, (b) in respect of the Additional Consideration or (c) under or in connection with this deed, together with all interest (including, without limitation, default interest) accruing in respect of those obligations or liabilities.

<b>"Secured Property"</b>	means at any time the Properties and all other freehold, leasehold or commonhold property which is subject to any Security created by, under or supplemental to, this deed.
<b>"Security"</b>	means a mortgage, charge, pledge, lien, assignment or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.
<b>"Security Period"</b>	means the period beginning on the date of this deed and ending on the date on which the Chargees are satisfied that the Secured Obligations have been irrevocably and unconditionally satisfied in full.
<b>"Senior Facility Agreement"</b>	means the facility agreement entered into between (1) HSBC UK Bank plc as lender and (2) LPD Group Holdings Limited as borrower dated on or about the date of this deed.
<b>"Share Purchase Agreement"</b>	means the share purchase agreement entered into between (1) Stuart Gordon and the Chargees and (2) the Company dated on or about the date of this deed.
<b>"Subsidiary"</b>	means a subsidiary undertaking within the meaning of section 1162 CA2006 and any company which would be a subsidiary undertaking within the meaning of section 1162 CA2006 but for any Security subsisting over the shares in that company from time to time.
<b>"Subsidiary Shares"</b>	means, in respect of a Chargor, all shares present and future held by it in its Subsidiaries (including those listed in Schedule 2 (Subsidiary Shares)).
<b>"VAT"</b>	means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar

nature.

## 1.2 Interpretation

1.2.1 Unless a contrary indication appears, a reference in this deed to:

- (a) any Chargee, any Chargor, any Party or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
- (b) **assets** includes present and future properties, revenues and rights of every description (including any right to receive such revenues);
- (c) a Finance Document or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented or restated (however fundamentally) or replaced;
- (d) **guarantee** means (other than in clause 9 (Guarantee and indemnity)) any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;
- (e) **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;
- (f) a **person** includes any individual person, 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) or any other entity or body of any description;
- (g) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but if not having the force of law, then being a type with which persons to which it applies customarily

comply) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;

- (h) a provision of law is a reference to a provision, of any treaty, legislation, regulation, decree, order or by-law and any secondary legislation enacted under a power given by that provision, as amended, applied or re-enacted or replaced (whether with or without modification) whether before or after the date of this deed;
- (i) a time of day is a reference to London time;
- (j) **sterling** and **£** shall be construed as a reference to the lawful currency of the United Kingdom; and
- (k) **dispose** includes any sale, lease, licence, transfer or loan.

1.2.2 Clause and schedule headings are for ease of reference only.

1.2.3 Any word importing the singular shall include the plural and vice versa.

1.2.4 An Event of Default is **continuing** if it has not been waived by the Chargees or a waiver is given by the Senior Creditor pursuant to the Intercreditor Deed.

1.2.5 Any certificate provided by a director of a Chargor pursuant to the terms of this deed shall be given without incurring any personal liability.

1.2.6 A term defined in this deed has the same meaning when used in any notices, acknowledgements or other documents issued under or in connection with this deed.

### 1.3 **Third party rights**

1.3.1 Unless expressly provided to the contrary in any Finance Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this deed or any other Finance Document issued or entered into under or in connection with it.

- 1.3.2 Unless expressly provided to the contrary in any Finance Document the consent of any person who is not a Party is not required to rescind or vary this deed or any other Finance Document entered into under or in connection with it.

#### 1.4 **Administration**

- 1.4.1 Any reference in this deed, or any other Finance Document entered into under or in connection with it, to the making of an administration order shall be treated as including a reference to the appointment of an administrator under paragraph 14 (by the holder of a qualifying floating charge in respect of a Chargor's assets) or 22 (by a Chargor or the directors of a Chargor) of Schedule B1 to the Insolvency Act 1986 or any steps taken toward such order or appointment.
- 1.4.2 Any reference in this deed or any other Finance Document entered into under or in connection with it, to making an application for an administration order by petition shall be treated as including a reference to making an administration application to the court under Schedule B1 Insolvency Act 1986, appointing an administrator under paragraph 14 or 22 of that Schedule, or giving notice under paragraph 15 or 26 of that Schedule of intention to appoint an administrator or any steps taken towards such application or notice.
- 1.4.3 Each Chargor shall be entitled to rely upon any notice, communication, consent, waiver, or approval from one Chargee as having been given jointly by both Chargees.

#### 1.5 **Incorporated terms**

The terms of the Finance Documents and of any side letters relating to the Finance Documents and the Secured Obligations are incorporated into this deed to the extent required for any purported disposition of any Secured Assets contained in this deed to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

#### 1.6 **Intercreditor Deed**

This deed is subject to the terms of the Intercreditor Deed and in the event of any conflict

or inconsistency between the terms of this deed and the terms of the Intercreditor Deed, the terms of the Intercreditor Deed shall prevail.

## **2 Covenant to pay**

Each Chargor covenants with the Chargees to pay and discharge the Secured Obligations when they become due for payment and discharge.

## **3 Charging Provisions**

### **3.1 General**

All Security created by a Chargor under clauses 3.2 to 3.5 (inclusive) is:

- 3.1.1 a continuing security for the payment and discharge of the Secured Obligations;
- 3.1.2 granted with full title guarantee;
- 3.1.3 granted in respect of all the right, title and interest (if any), present and future, of that Chargor in and to the relevant Secured Asset; and
- 3.1.4 granted in favour of the Chargees.

### **3.2 Fixed legal mortgages**

Each Chargor charges by way of first legal mortgage the Properties and all Premises and Fixtures on each of the Properties.

### **3.3 Assignments**

- 3.3.1 Each Chargor assigns:
  - (a) the Relevant Agreements to which it is a party; and
  - (b) the Relevant Policies to which it is a party.
- 3.3.2 Each Chargor shall remain liable to perform all its obligations under the Relevant Agreements and the Relevant Policies.
- 3.3.3 Notwithstanding the other terms of this clause 3.3 prior to the occurrence of an

Event of Default which is continuing, each Chargor may, subject to the other terms of the Finance Documents, continue to exercise all and any of its rights under and in connection with the Relevant Agreements.

### 3.4 **Fixed charges**

Each Chargor by way of fixed charge:

- 3.4.1 all interests and estates in any freehold, leasehold or commonhold property now or subsequently owned by it (other than any freehold, leasehold or commonhold property effectively charged by way of legal mortgage under clause 3.2) and, in each case, the Premises and Fixtures on each such property;
- 3.4.2 the proceeds of sale of its Secured Property and all licences to enter on or use any Secured Property;
- 3.4.3 the benefit of all other agreements, instruments and rights relating to its Secured Property;
- 3.4.4 all plant, machinery, vehicles, computers, office and other equipment, all furniture, furnishings, equipment and tools and any removals or replacement of them, (together "**Chattels**") present and future and the benefit of all contracts, licences, warranties, maintenance contracts relating to them and any renewals and replacements of them;
- 3.4.5 the Subsidiary Shares together with all Related Rights;
- 3.4.6 the Investments together with all Related Rights;
- 3.4.7 the Relevant Policies and any other insurance policies from time to time and all proceeds of them;
- 3.4.8 (subject to invoice discounting or receivables finance facilities entered into by Leeds Plywood & Doors Limited) all book and other debts due to the relevant Chargor and their proceeds (both collected and uncollected) (together "**Debts**") and all rights, guarantees, security or other collateral in respect of the Debts (or any of them) and the benefit of any judgment or order to pay a sum of money and



all rights to enforce the Debts (or any of them);

3.4.9 all monies from time to time standing to the credit of each account held by the relevant Chargor with any bank, building society, financial institution or other person (each an "**Account**");

3.4.10 all its Intellectual Property;

3.4.11 all its goodwill and uncalled capital;

3.4.12 the benefit of all Authorisations held or utilised by it in connection with its business or the use of any of its assets and the right to recover and receive compensation payable in respect of any of them; and

3.4.13 to the extent that any assignment in clause 3.3 is ineffective as an assignment, the assets referred to in that clause.

### 3.5 **Floating charge**

Each Chargor charges by way of floating charge all its assets and undertaking wherever located both present and future other than any assets effectively charged by way of legal mortgage or fixed charge or assigned under clauses 3.2, 3.3 or 3.4.

### 3.6 **Qualifying floating charge**

This deed contains a qualifying floating charge and paragraph 14 of Schedule B1 Insolvency Act 1986 applies to the floating charge created by or under this deed.

### 3.7 **Conversion of floating charge to a fixed charge**

The Chargees may at any time by notice in writing to any Chargor convert the floating charge created under clause 3.5 into a fixed charge as regards any Floating Charge Asset as it shall specify in the notice if:

3.7.1 an Event of Default is continuing; or

3.7.2 in the reasonable opinion of the Chargees that Floating Charge Asset is in danger of being seized or any legal process or execution is being enforced against that

Floating Charge Asset.

### **3.8 Automatic conversion of floating charge to a fixed charge**

If (unless permitted in writing by the Chargees or expressly permitted under the terms of any Finance Document or the Senior Facility Agreement):

- 3.8.1 a Chargor creates or attempts to create any Security over any of its Floating Charge Assets (other than Permitted Security);
- 3.8.2 any person levies or attempts to levy any distress, attachment, execution or other legal process against any Floating Charge Asset; or
- 3.8.3 any corporate action, legal proceedings or other procedures or steps are taken for the winding up, dissolution, administration or reorganisation of any Chargor,

the floating charge created by this deed will automatically and immediately without notice be converted into a fixed charge over the relevant assets or, in the circumstances described in clause 3.8.3, over all of the Floating Charge Assets.

### **3.9 Small company moratorium**

Where a Chargor is an eligible company within the meaning of paragraphs 2 to 4 (inclusive) of Schedule A1 to the Insolvency Act 1986, then the obtaining of a moratorium, including any preliminary decision, or investigation in terms of paragraph 43 of Schedule A1 to the Insolvency Act 1986 shall not cause the floating charge created by this deed to crystallise into a fixed charge, nor cause restrictions which would not otherwise apply to be imposed on the disposal of its property and assets by that Chargor.

## **4 Continuing security**

- 4.1 The Security constituted by this deed shall be continuing security and shall remain in full force and effect regardless of any intermediate payment or discharge by any Chargor or any other person of the whole or any part of the Secured Obligations.

## **4.2 Recourse**

The Security constituted by this deed:

4.2.1 is in addition to any other Security which the Chargees may hold at any time for the Secured Obligations (or any of them); and

4.2.2 may be enforced without first having recourse to any other rights of any Chargee.

## **5 Negative pledge**

5.1 No Chargor shall create or permit to subsist any Security over any of its assets.

5.2 No Chargor shall:

5.2.1 sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by it or another Chargor;

5.2.2 sell, transfer or otherwise dispose of any of its receivables on recourse terms other than in respect of invoice discounting or receivables finance facilities entered into by Leeds Plywood & Doors Limited);

5.2.3 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

5.2.4 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.

5.3 Clauses 5.1 and 5.2 do not apply to any Permitted Security.

## **6 Restrictions on disposals**

6.1 No Chargor shall enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any Secured Assets.

6.2 Clause 6.1 does not apply to any disposal which is permitted by the Chargees or

expressly permitted under the terms of any Finance Document or is permitted pursuant to the terms of the Senior Facility Agreement.

## **7 Further assurance**

7.1 Each Chargor shall promptly do all such acts and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Chargees may reasonably specify (and in such form as the Chargees may reasonably require) in favour of the Chargees or its nominee(s):

7.1.1 to create, perfect, protect and maintain the Security created or intended to be created under or evidenced by this deed or for the exercise of any rights, powers and remedies of the Chargees provided by or pursuant to this deed or by law;

7.1.2 to confer on the Chargees Security over any property and assets of that Chargor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to this deed; and/or

7.1.3 (if an Event of Default is continuing) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security created by or under this deed.

7.2 Each Chargor shall take all such action as is available to it (including making all filings and registrations but with regard to any restrictions of a prior ranking chargeholder that a Chargor is subject to) 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 Chargees by or pursuant to this deed.

7.3 Any document required to be executed by a Chargor under this clause 7 will be prepared at the cost of that Chargor.

## **8 Notices of assignments and charges**

### **8.1 Relevant Agreements**

8.1.1 Each Chargor which is party to a Relevant Agreement shall, upon request by the Chargees and subject to the rights of any prior chargeholder, give notice in such

form as may be agreed between the Chargees and the relevant Chargor to the other parties to each Relevant Agreement that the Chargor has assigned to the Chargees all its right, title and interest in that Relevant Agreement.

- 8.1.2 The relevant Chargor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice within five Business Days of that notice being given.

## **8.2 Insurance Policies**

- 8.2.1 Each Chargor which is an insured party under a Relevant Policy shall, upon request by the Chargees and subject to the rights of any prior chargeholder, give notice in such form as may be agreed between the Chargees and the relevant Chargor to each insurer under each Relevant Policy that the Chargor has assigned to the Chargees all its right, title and interest in that Relevant Policy.

- 8.2.2 The relevant Chargor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice within five Business Days of that notice being given.

## **8.3 Charge over accounts**

- 8.3.1 Each Chargor holding an Account shall, upon request by the Chargees and subject to the rights of any prior chargeholder, give notice in such form as may be agreed between the Chargees and the relevant Chargor to the financial institution at which such Account is held (if such financial institution is not the Chargees) that the Chargor has created a fixed charge over the balance standing to the credit of that Account.

- 8.3.2 The relevant Chargor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice within five Business Days of that notice being given.

## **8.4 Register of Trade Marks**

Each Chargor as registered proprietor hereby appoints the Chargees as its agent to apply for the particulars of this deed and the Chargees' interest in the Intellectual Property and

any other or future trade marks or trade mark applications registered or to be registered in the United Kingdom in the name of that Chargor, to be made on the Register of Trade Marks under section 25(1) Trade Marks Act 1994. Each Chargor hereby agrees to execute all documents and forms required to enable such particulars to be entered on the Register of Trade Marks.

## **9 Guarantee and indemnity**

### **9.1 Each Chargor irrevocably and unconditionally jointly and severally:**

9.1.1 guarantees to the Chargees punctual performance by each other Chargor of all that Chargor's obligations to the Chargees;

9.1.2 undertakes with the Chargees that whenever another Chargor does not pay any amount when due to the Chargees, that Chargor shall immediately on demand pay that amount as if it was the principal obligor; and

9.1.3 agrees with the Chargees that if for any reason, any amount claimed by the Chargees under this clause 9 is not recoverable on the basis of a guarantee, it will be liable as a principal debtor and primary obligor to indemnify the Chargees against any cost, loss or liability it incurs as a result of a Chargor not paying any amount expressed to be payable by it to the Chargees on the date when it is expressed to be due. The amount payable by a Chargor under this indemnity will not exceed the amount it would have had to pay under this clause 9 if the amount claimed had been recoverable on the basis of a guarantee.

### **9.2 Continuing Guarantee**

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Chargor to the Chargees, regardless of any intermediate payment or discharge in whole or in part.

### **9.3 Reinstatement**

If any discharge, release or arrangement (whether in respect of the obligations of any Chargor or any Security for those obligations or otherwise) is made by the Chargees 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 each Chargor under this clause 9 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

#### **9.4 Waiver of defences**

The obligations of each Chargor under this clause 9 will not be affected by an act, omission, matter or thing which, but for this clause 9, would reduce, release or prejudice any of its obligations under this clause 9 (without limitation and whether or not known to it or the Chargees) including:

- 9.4.1 any time, waiver or consent granted to, or composition with, any Chargor or other person;
- 9.4.2 the release of any other Chargor or any other person under the terms of any composition or arrangement with any creditor of any such entity or person;
- 9.4.3 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 Chargor or 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;
- 9.4.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Chargor or any other person;
- 9.4.5 any amendment (however fundamental) or replacement of any Security or any agreement or other instrument providing for or entered into in connection with any obligation of any Chargor to the Chargees;
- 9.4.6 any unenforceability, illegality or invalidity of any obligation of any person under any Security or any agreement or other instrument; or
- 9.4.7 any insolvency or similar proceedings.

## **9.5 Intent**

Without prejudice to the generality of clause 9.4, each Chargor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to agreement and/or any facility or amount made available by the Chargees to a Chargor for the purposes of or in connection with any of the following:

- 9.5.1 business acquisitions of any nature;
- 9.5.2 increasing working capital;
- 9.5.3 enabling investor distributions to be made;
- 9.5.4 carrying out restructurings;
- 9.5.5 refinancing existing facilities;
- 9.5.6 refinancing any other indebtedness;
- 9.5.7 making facilities available to new borrowers;
- 9.5.8 any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and
- 9.5.9 any fees, costs and/or expenses associated with any of the foregoing.

## **9.6 Immediate recourse**

Each Chargor waives any right it may have of first requiring the Chargees to proceed against or enforce any other rights or Security or claim payment from any person before claiming from that Chargor under this clause 9. This waiver applies irrespective of any law or any provision of any agreement or other instrument to the contrary.

## **9.7 Appropriations**

Until all amounts which may be or become payable by the Chargors to the Chargees have been irrevocably paid in full, the Chargees may:



- 9.7.1 refrain from applying or enforcing any other monies, Security or rights held or received by the Chargees 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 no Chargor shall be entitled to the benefit of the same; and
- 9.7.2 hold in an interest-bearing suspense account any monies received from any Chargor or on account of any Chargor's liability under this clause 9.

## **9.8 Deferral of Chargors' rights**

Until all amounts which may be or become payable by the Chargors to the Chargees have been irrevocably paid in full and unless the Chargees otherwise direct, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations to the Chargees or by reason of any amount being payable, or liability arising, under this clause 9:

- 9.8.1 to be indemnified by a Chargor;
- 9.8.2 to claim any contribution from any other guarantor of any Chargor's obligations to the Chargees;
- 9.8.3 to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Chargees or of any other guarantee or Security taken by the Chargees pursuant to, or in connection with, the obligations of the Chargors to the Chargees;
- 9.8.4 to bring legal or other proceedings for an order requiring any Chargor to make any payment, or perform any obligation, in respect of which any Chargor has given a guarantee, undertaking or indemnity under clause 9.1;
- 9.8.5 to exercise any right of set-off against any Chargor; and/or
- 9.8.6 to claim or prove as a creditor of any Chargor in competition with the Chargees.

If a Chargor 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 Chargees by the Chargors to be repaid in full on

trust for the Chargees and shall promptly pay or transfer the same to the Chargees.

#### **9.9 Additional security**

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or Security now or subsequently held by or on behalf of the Chargees.

### **10 Undertakings**

Each Chargor undertakes to the Chargees in accordance with this clause 10. The undertakings in this clause 10 shall remain in force during the Security Period.

#### **10.1 Real property**

##### **10.1.1 Repair**

- (a) It shall keep its Secured Property in good and substantial repair and condition, fair wear and tear excepted.
- (b) It shall repair any material defect or damage to any of its Secured Property promptly and if it fails to do so the Chargees may, but shall not be obliged to, do so.

##### **10.1.2 Planning**

It shall not do or allow (using reasonable endeavours to not allow) or omit to be done anything which may infringe or contravene the Planning Acts affecting its Secured Property, nor make any application for the grant of planning permission within the meaning of the Planning Acts without the prior consent of the Chargees.

##### **10.1.3 Outgoings**

It will punctually pay and indemnify the Chargees and any Receiver against all present and future rents, rates, taxes, assessments and outgoings of whatsoever nature imposed on or payable in respect of its Secured Property or any part of it or payable by the owner or occupier of it.

## 10.2 **Leases**

### 10.2.1 **Lease and covenant compliance**

It shall:

- (a) perform all the material terms on its part contained in any lease or agreement for lease under which it holds an interest in a Secured Property or to which any of its Secured Property is subject;
- (b) properly perform (and indemnify the Chargees and each Receiver for any breach of) any material covenants and stipulations of whatsoever nature affecting any of its Secured Property; and
- (c) promptly notify the Chargees of any notice received by it under section 146 Law of Property Act 1925 or any proceedings commenced or steps taken against it for the forfeiture of any lease under which it holds an interest in a Secured Property.

### 10.2.2 **No variation to lease**

It shall not without the prior consent of the Chargees alter or vary or agree to alter or vary the terms of any lease under which it holds any Secured Property or any lease to which any Secured Property is subject save where such variations, amendments or variations are required for the purposes of good estate management or could not otherwise prejudice the interests of the Chargees.

### 10.2.3 **No surrender or termination**

It shall not without the prior consent of the Chargees surrender or otherwise terminate any lease under which it holds a Secured Property or terminate, forfeit or accept a surrender of any lease to which any Secured Property is subject.

### 10.2.4 **Lease or right to occupy**

It shall not without the prior consent of the Chargees:

- (a) grant any lease or tenancy or exercise any other power of leasing of the

whole or part of any Secured Property; or

- (b) grant any person any contractual licence or the right to occupy any Secured Property or part with possession of it.

#### **10.2.5 Forfeiture**

It shall not do or permit (using reasonable endeavours to so prevent) anything which may render any lease or agreement for lease under which it holds an interest in a Secured Property, or to which the Secured Property is subject, liable to forfeiture or otherwise determinable.

#### **10.3 Chattels**

It will keep all Chattels comprised in its Secured Assets in good and substantial repair and in good working order and condition, fair wear and tear excepted.

#### **10.4 Subsidiary Shares and Investments**

10.4.1 Upon request by the Chargee and subject the rights of any prior chargeholder, it shall:

- (a) deliver to the Chargees all certificates of title and other documents of title or evidence of ownership in respect of its Subsidiary Shares or Investments and the Related Rights; and
- (b) deliver to the Chargees such transfer documents (with the transferee left blank) or any other documents as the Chargees may require or otherwise request in respect of those Subsidiary Shares, Investments and Related Rights.

10.4.2 Until the Security created by or under this deed is enforced, it shall be entitled to receive and retain all dividends, distributions and other monies receivable in respect of its Subsidiary Shares, Investments and Related Rights.

10.4.3 It shall not exercise its voting and other rights in respect of its Subsidiary Shares, Investments and Related Rights in a manner which, in the reasonable opinion of

the Chargees, is prejudicial to the interests of the Chargees save that nothing shall prevent a Chargor from operating its business in the ordinary course.

10.4.4 It shall remain liable to observe and perform all of the conditions and obligations assumed by it in respect of its Subsidiary Shares, Investments and Related Rights and the Chargees shall not be required to perform or fulfil any obligation of any Chargor in respect of any Subsidiary Shares, Investments or Related Rights.

10.4.5 It shall comply with any notice served on it under CA 2006 or pursuant to the articles of association or any other constitutional document of any relevant entity in respect of or in connection with the Subsidiary Shares, Investments or Related Rights and will promptly provide to the Chargees a copy of that notice.

## 10.5 **Insurance**

10.5.1 It shall maintain insurances with reputable independent insurance companies or underwriters on and in relation to its business and assets against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.

10.5.2 It shall promptly pay all premiums and do all other things necessary to keep all of the policies of insurance in which it has an interest in full force and effect.

10.5.3 It shall not do or permit (having used reasonable endeavours to so prevent) to be done anything to render the insurance void or voidable.

10.5.4 If a Chargor shall be in default of effecting or maintaining insurances in accordance with this deed, the Chargees may take out or renew such insurances in any sum which the Chargees may think expedient and all monies expended and costs incurred by the Chargees under this provision shall be for the account of any such Chargor.

10.5.5 With the prior consent of the Chargees and subject to the rights of any prior chargeholders, all proceeds of insurance shall be applied towards replacing or reinstating the property in respect of which the proceeds are received.

## 10.6 **Book and other debts**

Subject to the terms of any invoice discounting or receivables finance arrangements entered into by Leeds Plywood & Doors Limited it shall collect and realise the Debts in the ordinary course of trading and pay their proceeds into an Account immediately on receipt. It shall hold all such proceeds on trust for the Chargees pending payment of them into an Account.

## 11 **Power to remedy**

11.1 If a Chargor fails to comply with any of the undertakings set out in clause 10 (Undertakings), it shall following the Chargees having provided notice of such failure allow and irrevocably authorises the Chargees and/or such persons as they shall nominate to take such action on its behalf as shall be necessary to ensure that it complies with those undertakings.

11.2 If a Chargor fails to perform any material obligation or other material covenant affecting the Secured Property or other Secured Asset, each Chargor shall permit the Chargees or their agents and contractors:

11.2.1 to enter on the Secured Property;

11.2.2 to comply with or object to any notice served on any Chargor relating to the Secured Property or other Secured Asset; and

11.2.3 to take any action the Chargees may reasonably consider necessary to prevent or remedy any breach of any such term or to comply with or object to any such notice.

11.3 Each Chargor shall within three Business Days of demand indemnify the Chargees against any cost, loss or liability incurred by it in taking any of the steps referred to in this clause

## 12 **Security power of attorney**

Each Chargor, by way of security, irrevocably and severally appoints the Chargees, each Receiver and any of their delegates or sub-delegates to be its attorney to take any action

which the Chargor is obliged to take under this deed. Each Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause 12.

### **13 Enforcement Security**

#### **13.1 When security is enforceable**

On the occurrence of any Event of Default which is continuing, the Security created by and under this deed is immediately enforceable.

#### **13.2 Acts of enforcement**

The Chargees may, at their absolute discretion, at any time after the Security created by or under this deed is enforceable:

13.2.1 enforce all or any part of the Security created by or under this deed in any manner it sees fit;

13.2.2 exercise its rights and powers conferred upon mortgagees by the Law of Property Act 1925, as varied and extended by this deed, and rights and powers conferred on a Receiver by this deed, whether or not it has taken possession or appointed a Receiver to any of the Secured Assets;

13.2.3 appoint a Receiver to all or any part of the Secured Assets;

13.2.4 appoint an administrator in respect of any Chargor and take any steps to do so;

13.2.5 exercise its power of sale under section 101 Law of Property Act 1925 (as amended by this deed); or

13.2.6 if permitted by law, appoint an administrative receiver in respect of any Chargor.

#### **13.3 Right of appropriation**

To the extent that the Security created by this deed constitutes a "security financial collateral arrangement" and the Secured Assets constitute "financial collateral" for the purpose of the Financial Collateral Arrangements (No 2) Regulations 2003 (Regulations),

the Chargees shall have the right on giving prior notice to the relevant Chargor, at any time after the Security becomes enforceable, to appropriate all or any part of those Secured Assets in or towards discharge of the Secured Obligations. The Parties agree that the value of the appropriated Secured Assets shall be, in the case of cash, the amount of cash appropriated and, in the case of Subsidiary Shares and Investments, determined by the Chargees by reference to any publicly available market price and, in the absence of which, by such other means as the Chargees (acting reasonably) may select including, without limitation, an independent valuation. For the purpose of Regulation 18(1) of the Regulations, each Chargor agrees that any such determination by the Chargees will constitute a valuation "in a commercially reasonable manner".

#### **13.4 Statutory powers – general**

- 13.4.1 For the purposes of all powers implied by statute, the Secured Obligations are deemed to have become due and payable on the date of this deed.
- 13.4.2 Section 103 Law of Property Act 1925 and section 93 Law of Property Act 1925 do not apply to the Security constituted by or under this deed.
- 13.4.3 The statutory powers of leasing conferred on the Chargees are extended so that, without the need to comply with any provision of section 99 or section 100 Law of Property Act 1925, the Chargees are empowered to lease and make agreements for lease at a premium or otherwise, accept surrenders of leases and grant options or vary or reduce any sum payable under any leases or tenancy agreements as it may think fit.
- 13.4.4 Each Receiver and the Chargees are entitled to all the rights, powers, privileges and immunities conferred by the Law of Property Act 1925 and the Insolvency Act 1986 on mortgagees and Receivers.

#### **13.5 Contingencies**

If the Chargees enforce the Security constituted by or under this deed at a time when no amounts are due to the Chargees but at a time when amounts may or will become so due, the Chargees (or the Receiver) may pay the proceeds of any recoveries effected by it into an interest bearing suspense account.



### **13.6 Mortgagee in possession - no liability**

Neither the Chargees nor any Receiver will be liable, by reason of entering into possession of a Secured Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might otherwise be liable.

### **13.7 Redemption of prior mortgages**

At any time after the Security created by or under this deed has become enforceable, the Chargees may, at the cost of the Chargors (payable to the Chargees on demand):

13.7.1 redeem any prior form of Security over any Secured Asset; and/or

13.7.2 procure the transfer of that Security to itself; and/or

13.7.3 settle and pass the accounts of any prior mortgagee, chargee or encumbrancer which once so settled and passed shall be conclusive and binding on the Chargors.

### **13.8 Subsidiary Shares and Investments – following an Event of Default**

13.8.1 If an Event of Default is continuing, each Chargor shall on request by the Chargees but subject to the rights of any prior chargeholder:

- (a) deliver to the Chargees such stock transfer forms or other transfer documents as the Chargees may require to enable the Chargees or their nominee or nominees to be registered as the owner of, and to obtain legal and beneficial title to, the Subsidiary Shares, the Investments and/or Related Rights referred to in such request;
- (b) provide to the Chargees certified copies of all resolutions and authorisations approving the execution of such transfer forms and registration of such transfers as the Chargees may reasonably require;
- (c) procure that each such transfer is promptly registered by the relevant company or other entity;

- (d) procure that, immediately on their issue, all share certificates or other documents of title in the appropriate form, in respect of the relevant Subsidiary Shares, Investments and/or Related Rights, are delivered to the Chargees in each case showing the registered holder as the Chargees or their nominee or nominees (as applicable); and
- (e) exercise all voting rights in respect of its Subsidiary Shares, Investments and Related Rights only in accordance with the instructions of the Chargees.

13.8.2 At any time while an Event of Default is continuing, the Chargees may complete any transfer documents held by them in respect of the Subsidiary Shares, the Investments and/or the Related Rights in favour of itself or such other person or nominee as it shall select.

13.8.3 At any time after the Security created by or under this deed has become enforceable, the Chargees and their nominee or nominees may sell all or any of the Subsidiary Shares, Investments or Related Rights of the Chargors (or any of them) in any manner permitted by law and on such terms as the Chargees shall in its absolute discretion determine.

13.8.4 If any Chargor receives any dividends, distributions or other monies in respect of its Subsidiary Shares, Investments and Related Rights at a time when the Chargees have made a request under clause 13.8.1 or taken any steps to enforce the Security created by or under this deed under clause 13.2, the relevant Chargor shall immediately pay such sums received directly to the Chargees for application in accordance with clause 16 (Application of monies) and shall hold all such sums on trust for the Chargees pending payment of them to such account as the Chargees shall direct.

## **14 Receiver**

### **14.1 Appointment of Receiver**

#### **14.1.1**

- (a) At any time after any Security created by or under this deed is enforceable, the Chargees may appoint a Receiver to all or any part of the Secured Assets in accordance with clause 13.2.3.
- (b) At any time, if so requested in writing by any Chargor, without further notice, the Chargees may appoint a Receiver to all or any part of the Secured Assets as if the Chargees had become entitled under the Law of Property Act 1925 to exercise the power of sale conferred under the Law of Property Act 1925.

14.1.2 Any Receiver appointed under this deed shall be the agent of the relevant Chargor and that Chargor shall be solely responsible for his acts or defaults and for his remuneration and liable on any contracts or engagements made or entered into by him and in no circumstances whatsoever shall the Chargees be in any way responsible for any misconduct, negligence or default of the Receiver.

14.1.3 Where a Chargor is an eligible company within the meaning of paragraphs 2 to 4 (inclusive) of Schedule A1 to the Insolvency Act 1986:

- (a) obtaining a moratorium; or
- (b) anything done with a view to obtaining a moratorium including any preliminary decision or investigation in terms of paragraph 43 of Schedule A1 to the Insolvency Act 1986,

shall not be grounds for appointment of a Receiver.

## 14.2 **Removal**

The Chargees may by written notice remove from time to time any Receiver appointed by them (subject to the provisions of section 45 of the Insolvency Act 1986 in the case of an administrative receiver) and, whenever it may deem appropriate, appoint a new Receiver in the place of any Receiver whose appointment has terminated.

### **14.3 Powers of Receiver**

#### **14.3.1 General**

- (a) In addition to those conferred by the Law of Property Act 1925 on any Receiver appointed under that Act, each Receiver has, and is entitled to exercise, all of the rights, powers and discretions set out in this clause 14.3.
- (b) If there is more than one Receiver holding office at the same time, unless the document appointing him states otherwise, each Receiver may exercise all of the powers conferred on a Receiver under this deed or under the Insolvency Act 1986 individually and to the exclusion of any other Receivers.
- (c) A Receiver of a Chargor has all the rights, powers and discretions of an administrative receiver under the Insolvency Act 1986.
- (d) A Receiver may, in the name of any Chargor:
  - (i) do all other acts and things which he may consider expedient for realising any Secured Asset; and
  - (ii) exercise in relation to any Secured Asset all the powers, authorities and things which he would be capable of exercising if he were its absolute beneficial owner.

#### **14.3.2 Borrow money**

A Receiver may raise and borrow money (either unsecured or on the security of any Secured Asset, either in priority to the security constituted by this deed or otherwise) on any terms and for whatever purpose which he thinks fit. No person lending that money need enquire as to the propriety or purpose of the exercise of that power or to check the application of any money so raised or borrowed.

#### **14.3.3 Carry on business**

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

and, for the avoidance of doubt, a Receiver may apply for such Authorisations as he considers in his absolute discretion appropriate.

#### **14.3.4 Compromise**

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of any relevant Chargor or relating in any way to any Secured Asset.

#### **14.3.5 Delegation**

A Receiver may delegate his powers in accordance with clause 15 (Delegation).

#### **14.3.6 Employees**

For the purposes of this deed, a Receiver as he thinks appropriate, on behalf of the relevant Chargor or for itself as Receiver, may:

- (a) appoint and discharge managers, officers, agents, accountants, servants, workmen and others upon such terms as to remuneration or otherwise as he may think proper; and
- (b) discharge any such persons appointed by the relevant Chargor.

#### **14.3.7 Leases**

A Receiver may let any Secured Asset for any term and at any rent (with or without a premium) which he thinks proper and may accept a surrender of any lease or tenancy of any Secured Assets on any terms which he thinks fit (including the payment of money to a lessee or tenant on a surrender).

#### **14.3.8 Legal actions**

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings or submit to arbitration or any form of alternative dispute resolution in the name of the relevant Chargor in relation to any Secured Asset as he considers expedient.

#### **14.3.9 Possession**

A Receiver may take immediate possession of, get in and collect any Secured Asset.

#### **14.3.10 Protection of assets**

A Receiver may, in each case as he may think fit:

- (a) make and effect all repairs and insurances and do all other acts which the relevant Chargor might do in the ordinary conduct of its business be they for the protection or for the improvement of the Secured Assets;
- (b) commence and/or complete any building operations on the Secured Property or other Secured Asset; and
- (c) apply for and maintain any planning permission, building regulation approval or any other permission, consent or licence.

#### **14.3.11 Receipts**

A Receiver may give valid receipts for all monies and execute all assurances and things which may be expedient for realising any Secured Asset.

#### **14.3.12 Sale of assets**

A Receiver may sell, exchange, convert into monies and realise any Secured Asset by public auction or private contract in any manner and on any terms which he thinks proper. The consideration for any such transaction may consist of cash, debenture 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 such period as he thinks fit. Fixtures and any plant and machinery annexed to any part of the Secured Property may be severed and sold separately from the property containing them without the consent of the relevant Chargor.

#### **14.3.13 Subsidiaries**

A Receiver may form a Subsidiary of the relevant Chargor and transfer to that

Subsidiary any Secured Asset.

#### **14.3.14 Deal with Secured Assets**

A Receiver may, without restriction sell, let or lease, or concur in selling, letting or leasing, or vary the terms of, determine, surrender or accept surrenders of, leases or tenancies of, or grant options and licences over or otherwise dispose of or deal with, all or any part of the Secured Assets without being responsible for loss or damage, and so that any such sale, lease or disposition may be made for cash payable by instalments, loan stock or other debt obligations or for shares or securities of another company or other valuable consideration. The Receiver may form and promote, or concur in forming and promoting, a company or companies to purchase, lease, licence or otherwise acquire interests in all or any of the Secured Assets or otherwise, arrange for such companies to trade or cease to trade and to purchase, lease, license or otherwise acquire all or any of the Secured Assets on such terms and conditions whether or not including payment by instalments secured or unsecured as he may think fit.

#### **14.3.15 Voting rights**

A Receiver may exercise all voting and other rights attaching to the Investments, Subsidiary Shares, Related Rights, and stocks, shares and other securities owned by the relevant Chargor and comprised in the Secured Assets in such manner as he may think fit.

#### **14.3.16 Security**

A Receiver may redeem any prior Security and settle and pass the accounts of the person entitled to the prior Security so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the relevant Chargor and the money so paid shall be deemed to be an expense properly incurred by the Receiver.

#### **14.3.17 Acquire land**

The Receiver may purchase or acquire any land and purchase, acquire or grant

any interest in or right over land.

#### **14.3.18 Development**

A Receiver may implement or continue the development of (and obtain all consents required in connection therewith) and/or complete any buildings or structures on, any real property comprised in the Secured Property and do all acts and things incidental to the Secured Property.

#### **14.3.19 Landlord's obligations**

A Receiver may on behalf of a Chargor and without consent of or notice to that Chargor exercise all the powers conferred on a landlord or a tenant by the Landlord and Tenants Acts, the Rents Acts and Housing Acts or any other legislation from time to time in force in any relevant jurisdiction relating to rents or agriculture in respect of any part of the Secured Property.

#### **14.3.20 Uncalled capital**

A Receiver may make calls conditionally or unconditionally on the members of any relevant Chargor in respect of uncalled capital.

#### **14.3.21 Incidental matters**

A Receiver may do all other acts and things including without limitation, signing and executing all documents and deeds as may be considered by the Receiver to be incidental or conducive to any of the matters or powers listed here or granted by law or otherwise incidental or conducive to the preservation, improvement or realisation of the Secured Assets and to use the name of the relevant Chargor for all the purposes set out in this clause 14.

### **14.4 Remuneration**

The Chargees may from time to time fix the remuneration of any Receiver appointed by it.

### **15 Delegation**

15.1 The Chargees and any Receiver may delegate by power of attorney or in any other



manner all or any of the powers, authorities and discretions which are for the time being exercisable by the Chargees and the Receiver (as appropriate) under this deed to any person or persons as it shall think fit. Any such delegation may be made upon such terms and conditions (including the power to sub-delegate) as the Chargees and Receiver (as appropriate) may think fit.

- 15.2 The Chargees and any Receiver will not be liable or responsible to any Chargor or any other person for any losses, liabilities or expenses arising from any act, default, omission or misconduct on the part of any delegate.

## **16 Application of monies**

- 16.1 Sections 109(6) and (8) (Appointment, powers, remuneration and duties of receiver) Law of Property Act 1925 shall not apply to a Receiver appointed under this deed.
- 16.2 All monies received by any Chargee or any Receiver under this deed shall be applied in accordance with the terms of the Intercreditor Deed.
- 16.3 The Chargees and any Receiver may place any money received, recovered or realised pursuant to this deed in an interest bearing suspense account and it may retain the same for such period as it considers expedient without having any obligation to apply the same or any part of it in or towards discharge of the Secured Obligations.

## **17 Remedies and waivers**

- 17.1 No failure to exercise, nor any delay in exercising, on the part of the Chargees or any Receiver, any right or remedy under this deed 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.
- 17.2 A waiver given or consent granted by the Chargees under this deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

## **18 Protection of third parties**

- 18.1 No person (including a purchaser) dealing with the Chargees or a Receiver or its or his

agents has an obligation to enquire of the Chargees, Receiver or others:

18.1.1 whether the Secured Obligations have become payable;

18.1.2 whether any power purported to be exercised has become exercisable;

18.1.3 whether any Secured Obligations or other monies remain outstanding;

18.1.4 how any monies paid to the Chargees or to the Receiver shall be applied; or

18.1.5 the status, propriety or validity of the acts of the Receiver or Chargees.

18.2 The receipt by the Chargees or any Receiver shall be an absolute and a conclusive discharge to a purchaser and shall relieve him of any obligation to see to the application of any monies paid to or by the direction of the Chargees or any Receiver.

18.3 In clauses 18.1 and 18.2, "**purchaser**" includes any person acquiring, for money or monies worth, any lease of, or Security over, or any other interest or right whatsoever in relation to, the Secured Assets or any of them.

## 19 **Additional security**

The Security created by or under this deed is in addition to and is not in any way prejudiced by any guarantee or security now or subsequently held by the Chargees.

## 20 **Settlements conditional**

20.1 If the Chargees (acting reasonably) believe that any amount paid by a Chargor or any other person in respect of the Secured Obligations is capable of being avoided or set aside for any reason, then for the purposes of this deed, such amount shall not be considered to have been paid.

20.2 Any settlement, discharge or release between a Chargor and the Chargees shall be conditional upon no Security or payment to or for the Chargees by that Chargor or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any law relating to bankruptcy, insolvency or liquidation or otherwise.

## 21 **Subsequent Security**

If the Chargees receive notice of any other subsequent Security or other interest affecting all or any of the Secured Assets they may open a new account or accounts for the relevant Chargor in their books. If they do not do so then, unless they gives express written notice to the contrary to that Chargor, as from the time of receipt of such notice by the Chargee, all payments made by that Chargor to the Chargees shall be treated as having been credited to a new account of that Chargor and not as having been applied in reduction of the Secured Obligations.

## 22 **Set-off**

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

## 23 **Notices**

### 23.1 **Communications in writing**

Any communication to be made under or in connection with this deed shall be made in writing and, unless otherwise stated, may be made by letter.

### 23.2 **Addresses**

The address (and the officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this deed:

23.2.1 in the case of the Chargors:

Leeds Plywood & Doors Limited, Midland Road, Hunslet, Leeds, West Yorkshire  
LS10 2RJ

Attention: The Directors

23.2.2 in the case of Helen Gordon: 16 Creskeld Lane, Bramhope, Leeds, LS16 9EX

23.2.3 in the case of Lisa Gordon: 171 Adel Lane, Leeds, LS16 8BY

or any substitute address or officer as the Party may notify to the others by not less than five Business Days' notice.

### 23.3 **Delivery**

Any communication or document made or delivered by one person to another under or in connection with this deed will only be effective, if by way of letter, when it has been left at the relevant address or three Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address, and, if a particular officer is specified as part of its address details provided under clause 23.2, if addressed to that officer.

23.3.1 Any communication or document to be made or delivered to the Chargees will be effective only when actually received by the Chargees.

23.3.2 Any communication or document to be made or delivered to the Company in accordance with this clause 23.3 will be deemed to have been made or delivered to each of the other Chargors.

### 24 **Invalidity**

If, at any time, any provision of this deed 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.

### 25 **Assignment**

Neither the Chargor nor the Chargees may assign or otherwise transfer all or any part of its rights under this deed or any Security created by or under it.

**26 Releases**

26.1 Upon the expiry of the Security Period, the Chargees shall, at the request and cost of the Chargors, take whatever action is necessary to release and reassign to each relevant Chargor:

26.1.1 its rights arising under this deed;

26.1.2 the Secured Assets from the Security created by and under this deed, and return all documents or deeds of title delivered to it under this deed.

**27 Certificates and determinations**

Any certification or determination by the Chargees of a rate or amount under this deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

**28 Indemnity**

28.1 Each Chargor shall promptly indemnify the Chargees and every Receiver and Delegate (each an Indemnified Person) against any cost, loss or liability incurred by any of them as a result of:

28.1.1 the taking, holding, protection or enforcement of this deed;

28.1.2 the exercise of any of the rights, powers, discretions and remedies vested in the Chargees and each Receiver and Delegate by this deed or by law; and

28.1.3 any default by any Chargor in the performance of any of the obligations expressed to be assumed by it in this deed.

28.2 Each Chargor shall indemnify the Chargees against any and all costs, losses, liabilities or expenses together with any associated VAT incurred by the Chargees arising (directly or indirectly) out of or in connection with:

28.2.1 any breach or potential breach of or liability (whether civil and/or criminal) under any environmental law;

28.2.2 any responsibility on the part of the Chargees in respect of any clean-up, repair or

other corrective action; or

28.2.3 the business or any real property of any Chargor.

28.3 The Chargees may indemnify themselves out in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this clause and shall have a lien on this deed and the proceeds of the enforcement of this deed for all monies payable to it.

## 29 **Exclusion of liability**

Neither the Chargees nor any Receiver shall be liable in respect of all or any part of the Secured Assets or for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective powers unless such loss or damage is caused by its gross negligence or wilful acts of default and recklessness.

## 30 **Fees, costs and expenses**

### 30.1 **Amendment costs**

If a Chargor requests an amendment, waiver or consent of this deed, the Company shall, within three Business Days of demand, reimburse the Chargees for the amount of all reasonably incurred costs and expenses (including legal fees) together with any associated VAT reasonably incurred by the Chargees in responding to, evaluating, negotiating or complying with the request or requirement.

### 30.2 **Enforcement and preservation costs**

The Company shall, within three Business Days of demand, pay to the Chargees the amount of all costs, fees and expenses (including legal fees) together with any associated VAT incurred by the Chargees in connection with the enforcement of or the preservation of any rights under this deed and any proceedings instituted by or against the Chargees as a consequence of taking or holding the Security created or expressed to be created in favour of the Chargees under this deed or enforcing these rights.

**31 Counterparts**

This deed or any Finance Document entered into under or in connection with this deed may be executed in any number of counterparts, and by each Party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this deed or any such Finance Document entered into under or in connection with this deed by e-mail attachment or telecopy shall be an effective mode of delivery.

**32 Governing law**

This deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

**33 Enforcement**

**33.1 Jurisdiction of English courts**

33.1.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this deed (including a dispute relating to the existence, validity or termination of this deed or any non-contractual obligation arising out of or in connection with this deed) (Dispute).

33.1.2 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.

33.1.3 This clause 33 is for the benefit of the Chargees. As a result, the Chargees shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Chargees may take concurrent proceedings in any number of jurisdictions.

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

**SCHEDULE 1**

**Properties**

**Registered Land**

<b>Chargor</b>	<b>Country and district (or address or description and London Borough)</b>	<b>Title Number</b>
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**Unregistered Land**

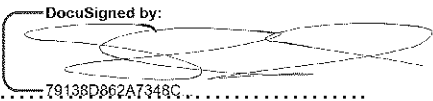


**SCHEDULE 2****Subsidiary Shares**

<b>Chargor</b>	<b>Name and registered number of Subsidiary</b>	<b>Number and class of shares</b>
LPD Group Holdings Ltd	LPD (Holdings) Limited (company number 06500273)	36 A ordinary shares of £1.00 each
		49 B ordinary shares of £1.00 each
		49 C ordinary shares of £1.00 each
		49 D ordinary shares of £1.00 each
LPD (Holdings) Limited	Leeds Plywood & Doors Limited (company number 02042982)	25,000 ordinary shares of £1.00 each

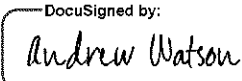
**Company**

**EXECUTED as a DEED by LPD GROUP )  
HOLDINGS LTD )**

DocuSigned by:  
  
79138D862A7348C

acting by )

in the presence of: )

DocuSigned by:  
  
7DF7ED81C5DF4DA...  
Andrew Watson

**W** Signature: .....

**I** Name: .....

**T** Address: 79 New Templegate, Leeds, Ls15 0JN  
.....

**N** .....

**E** .....

**S** .....

**S** Occupation: Company Director  
.....

**Chargors**

**EXECUTED as a DEED by LPD GROUP )  
HOLDINGS LTD**

DocuSigned by:  
  
79138D862A7348C

Director Stuart Gordon

acting by )

in the presence of: )

**W** Signature: .....  
7DF7ED61C5DF4DA

Andrew Watson

**I** Name: .....

79 New Templegate, Leeds, Ls15 0JN

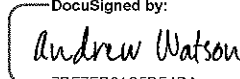
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**N** .....

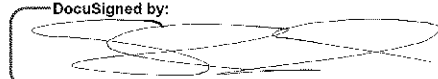
**E** .....

**S** .....

**S** Occupation: .....  
Company Director

DocuSigned by:  
  
7DF7ED61C5DF4DA

**EXECUTED as a DEED by LPD (HOLDINGS) )  
LIMITED**

DocuSigned by:  
  
79138D862A7348C

Director Stuart Gordon

acting by )

in the presence of: )

**W** Signature: .....  
7DF7ED61C5DF4DA

Andrew Watson

**I** Name: .....

79 New Templegate, Leeds, Ls15 0JN

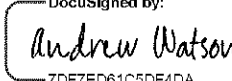
**T** Address: .....

**N** .....

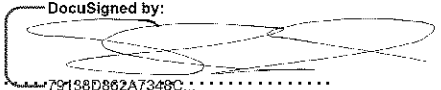
**E** .....

**S** .....

**S** Occupation: .....  
Company Director

DocuSigned by:  
  
7DF7ED61C5DF4DA

**EXECUTED as a DEED by LEEDS PLYWOOD & DOORS LIMITED**

DocuSigned by:  
  
79188D862A7348C...  
Director Stuart Gordon

acting by )

in the presence of: )

W Signature: .....  
7DF7EDB1C5DF4DA.....

Andrew watson

I Name: .....

79 New Templegate, Leeds, Ls15 0JN

T Address: .....

N .....

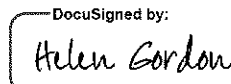
E .....

S .....

S Occupation: .....  
Company Director

### Chargees

**EXECUTED as a DEED by HELEN GORDON**

DocuSigned by:  
  
5516A72D988A4A0.....

in the presence of: )

W Signature: .....  
A59BE69C8B24458.....

PETER ANTHONY O'DONNELL

I Name: .....

16 creskeld lane, Leeds LS16 9EX

T Address: .....

N .....

E .....

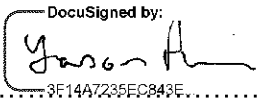
S .....

S Occupation: .....  
Joiner

**EXECUTED** as a **DEED** by **LISA GORDON**

DocuSigned by:  
  
2CB6E9A8DA8D4E4.....

in the presence of:

DocuSigned by:  
  
3F14A7235EC843E.....

**W** Signature: .....

Jason Pickering

**I** Name: .....

171 Adel Lane Leeds LS16 8BY

**T** Address: .....

**N** .....

**E** .....

**S** .....

**S** Occupation: QC Manager .....