



Registration of a Charge

Company Name: **SUNSEEKER LONDON LIMITED**

Company Number: **02875114**



Received for filing in Electronic Format on the: **23/12/2021**

XAJYBGEX

Details of Charge

Date of creation: **22/12/2021**

Charge code: **0287 5114 0130**

Persons entitled: **CLOSE BROTHERS LIMITED**

Brief description: **A SUNSEEKER 76 YACHT VESSEL BEARING HULL IDENTIFICATION GB-XSK 07733 K122 TOGETHER WITH TWO (2) MANN V12 1550 ENGINES BEARING ENGINE SERIAL NUMBERS 710 6079 814 6076 & 710 6079 818 6076 (THE "VESSEL") AND HER EARNINGS, INSURANCES AND REQUISITION COMPENSATION.**

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 SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **ANDRE BROWN**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 2875114

Charge code: 0287 5114 0130

The Registrar of Companies for England and Wales hereby certifies that a charge dated 22nd December 2021 and created by SUNSEEKER LONDON LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 23rd December 2021 .

Given at Companies House, Cardiff on 31st December 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**

DEED OF COVENANTS - COMMERCIAL TERMS

THIS DEED OF COVENANTS is made on 22nd December 2021

BETWEEN:

Close Brothers Limited (trading as Close Brothers Aviation & Marine) (Mortgagee)			
Address	10 Crown Place London EC2A 4FT	Company reg. no.	00195626
Owner			
Owner name	Sunseeker London Limited	Jurisdiction of incorporation and reg. no.	England and Wales & 02875114
		Telephone number	07584 583731
Address	Quadrant House, Floor 6, 4 Thomas More Square, London,	Email	Justyna@sunseekerlondon.com
		Postcode	E1W 1YW
Process Agent	N/A	Postcode	N/A
Notice to Owner: this Deed is granted to the Mortgagee on an all monies basis so as to secure or guarantee (as applicable) all and any obligations under the Loan Agreement and any other agreement entered into between the Owner and the Mortgagee			

Vessel				
Vessel Details	Vessel Name:	76Y 199	Hull Identification Number:	GB-XSK 07733 K122
	Vessel Manufacturer:	Sunseeker International	IMO Number:	N/A
	Vessel Type:	Sunseeker 76 Yacht	Flag State:	UK
	Engine Type and Serial Number(s):	Mann V12 1550 - 710 6079 814 6076 & 710 6079 818 6076	Port of Registry:	Poole
	Official Number:		Habitual Base:	Poole
	Acquisition Details	Builder / Seller:	Sunseeker International	Current Flag State:
Classification and Operation	Classification Society:		Permitted Waters:	UK territorial waters
	Class:		Maximum Charter Period:	No Charter
Mortgagee Indemnity Insurance Required	YES			
Agreed Value	an amount equal to 120% of the balance of the loan outstanding under the Loan Agreement			

DEED OF COVENANTS - TERMS AND CONDITIONS

BACKGROUND:

- A By a marine loan agreement (comprising of a loan agreement - marine commercial terms and a loan agreement - marine terms and conditions) dated on or around the date of this Deed and made between the Owner (as customer) and the Mortgagee (**Loan Agreement**), the Mortgagee has agreed, upon and subject to the terms of the Loan Agreement, to make available to the Owner a term loan (**Facility**).
- B It is a condition precedent to the availability of the Facility that the Owner shall have executed and delivered this Deed (which is collateral to the Mortgage) to the Mortgagee.

IT IS AGREED:

1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

In this Deed the following capitalised terms shall have the meaning set out below:

Actual Balance has the meaning given to such term in the Loan Agreement.

Agreed Value means the agreed value specified in the section of this Deed headed "Agreed Value"

Approved Brokers means the insurance brokers appointed by the Owner with the Mortgagee's prior written approval

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

Currency has the meaning given to such term in the Loan Agreement

Delegate means any delegate or sub-delegate appointed pursuant to clause 10.2 (*Delegates*)

Earnings means all of the Owner's right, title, benefit and interest in and to any charter, sub-charter, contract of carriage, pooling agreement or other contract relating to the Vessel and all amounts whatsoever which may at any time be earned by or become payable to or for the account of the Owner arising out of the ownership, possession, use or operation of the Vessel by the Owner including all freight, hire and all other amounts payable under any charter, sub-charter, contract of carriage, pooling agreement or other contract relating to the Vessel, all payments for any variation or termination of any such contract and all damages for any breach of any such contract (including demurrage and damages for detention), all general average recoveries, remuneration for towage and salvage services, all compensation for requisition for hire and any amount recoverable under any loss of earnings insurance policy

Euro and € means the lawful single currency unit of any member state of the European Communities that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Community relating to Economic and Monetary Union

Event of Default means any event or circumstance described or defined as an event of default under any agreement (including any Finance Document) between the Owner and the Mortgagee including each of the events and circumstances set out as such in the Loan Agreement (whether expressly or by reference to another document) and any breach by the Owner of its obligations under this Deed

Excess Risks means the proportion of claims for general average and salvage charges which is not recoverable in consequence of the value at which the Vessel is assessed for the purpose of such claims exceeding her insured value

Finance Documents means the Loan Agreement, this Deed, any other Security Document and any other document designated as such by the Owner and the Mortgagee

Flag State the flag state specified in the section of this Deed headed "Flag state" (with our prior written consent) such other state on whose national register of ships the Vessel may be registered from time to time

Insurance Documents means all slips, cover notes, contracts, policies, certificates of entry or other insurance documents evidencing or constituting the Insurances

Insurances means all policies and contracts of insurance (which expression includes all entries of the Vessel in a protection and indemnity or mutual hull or war risks association) or such other insurance arrangements which are required to be effected by the Finance Documents or, where the context permits, are from time to time entered into in respect of the Vessel and its Earnings or by any charterer of the Vessel including all claims under the policies and contracts and return of premiums

Insurers means the underwriters, insurance companies, mutual insurance associations or other associations or companies with or by which the Insurances are effected

Interest Rate has the meaning given to such term in the Loan Agreement

Loss means any loss, demand, liability, obligation, claim, action, proceeding, penalty, fine, damage, adverse judgment, order or other sanction, fee and out-of-pocket cost and expense (including any fee and out-of-pocket cost and expense of any legal counsel)

LTV Amount has the meaning given to such term in the Loan Agreement

Market Value has the meaning given to such term in the Loan Agreement

Mortgage means the mortgage with respect to the Vessel dated on or around the date of this Deed and granted by the Owner to the Mortgagee

Owner's Associates means any of the Owner's subsidiaries, the Owner's holding company and any of the Owner's holding company's subsidiaries and any person providing a guarantee or security in respect of the Owner or the Owner's Associates' obligations

Protection and Indemnity Risks means the usual risks covered by a protection and indemnity association including the proportion (if any) not recoverable in the case of collision under the hull and machinery policies (clause 8 of the Institute Time Clauses - Hulls (1.11.95) or any equivalent provision), liability for third party risks and pollution liability

Receiver means any receiver, manager or other receiver or similar officer appointed by the Mortgagee under this Deed in respect of the Secured Property and shall, if allowed by law, include an administrative receiver

Requisition Compensation means all sums of money and all compensation payable by reason of requisition for title or other compulsory acquisition of the Vessel by any governmental, state or other competent authority other than requisition for hire

Secured Obligations means all present and future monies, obligations and liabilities (and whether on or at any time after demand) due, owing or incurred in whatsoever manner to the Mortgagee or any associated company of Close Brothers Group PLC by the Owner, from time to time, whether actually or contingently, solely or jointly and whether as principal or surety (or guarantor or cautioner), including any money and liabilities of the Owner to a third party which have been assigned or novated to or otherwise vested in the Mortgagee or any associated company of Close Brothers Group PLC and including interest, discount, commission and other lawful charges or expenses which the Mortgagee may in the course of its business charge or incur in respect of any of those matters and so that interest shall be computed and compounded according to the usual Mortgagee rates and practice (or otherwise agreed in writing) after as well as before any demand made or judgment or decree obtained under or in relation to this Deed

Secured Property means:

- (a) the Vessel; and
- (b) all of the Owner's right, title, interest and benefit in and to:
 - (i) the Earnings;

- (ii) the Insurances;
- (iii) the Requisition Compensation;
- (iv) any warranties given by any builder, seller, supplier or other person in relation to the Vessel
- (v) any agreement for the repair, modification, maintenance or servicing of or to the Vessel

Security Documents has the meaning given to such term in the Loan Agreement

Security Interest means any mortgage, charge, pledge, hypothecation, lien, encumbrance or other security interest securing any obligation of any person or any other agreement having similar effect

Security Period means the period beginning on the date of this Deed and ending on the date on which all of the Secured Obligations have been unconditionally and irrevocably paid and discharged in full and the Mortgagee has no further commitment, obligation or liability whatsoever to the Mortgagee (including under the Finance Documents)

Sterling and £ means the lawful currency of the United Kingdom from time to time

Taxes means any present and future taxes, levies, imposts, duties, fees or other charges or withholdings of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same)

Total Loss means any of the following events: (a) the actual, constructive, comprised, arranged or agreed total loss of the Vessel (including any damage to the Vessel which results in an insurance settlement on the basis of a total loss, or requisition for use or hire of the Vessel which results in an insurance settlement on the basis of a total loss); (b) the Vessel being destroyed, damaged beyond repair, or otherwise ceasing to be usable in the normal course of its business for a period exceeding 60 days; (c) the requisition for title or other compulsory acquisition of the Vessel other than requisition for hire; or (d) the capture, seizure, arrest, detention or confiscation of the Vessel by any government or by any person purporting to act on behalf of any government from which the Vessel is not released or discharged within 30 days after the occurrence thereof

US Dollars and US\$ means the lawful currency of the United States of America from time to time

Vessel means the vessel specified in the section of this Deed headed "Vessel" including any share or interest therein and the hull, engine(s), machinery, equipment, fuel and stores, tenders and appurtenances thereof and everything aboard and ashore (whether now owned or acquired after the date of this Deed) and all replacements, renewals and component parts thereof and all additions and accessories thereto which form an integral part thereof

2. MORTGAGE AND ASSIGNMENT

2.1 Covenant to Pay

- (a) The Owner, as principal obligor and not merely as surety, covenants in favour of the Mortgagee that it will pay and discharge the Secured Obligations from time to time when due, or if there is no due date, on demand.
- (b) If the Owner is late in making any payment under the Mortgage or this Deed the Owner shall pay to the Mortgagee interest on the entire Loan at an annual rate equal to the aggregate of the Interest Rate and 4%. This interest will be payable from the date the overdue amount should have been paid up to and including the day it is actually received by the Mortgagee.

3. GRANT OF SECURITY

3.1 Mortgage and Assignment

In consideration of the Mortgagee agreeing to make the Facility available to the Owner upon the terms and conditions of the Loan Agreement and as a continuing security for the due and punctual payment, repayment, satisfaction, performance and discharge of the Secured Obligations, the Owner, with full title guarantee, hereby:

- (a) mortgages and charges the Vessel to the Mortgagee;
- (b) assigns and agrees to assign absolutely to the Mortgagee all the Owner's right, title, benefit and interest in and to the Secured Property; and
- (c) covenants and agrees that the Vessel shall be held subject to the Mortgage as security for the payment of the Secured Obligations so that the Mortgage shall be a continuing security, but this Deed shall continue in full force and effect notwithstanding the discharge of the Mortgage until the Security Period has terminated.

3.2 Notice of Assignment

The Owner shall:

- (a) upon execution of this Deed (and immediately upon the obtaining of any other Insurance after the date of this Deed during the Security Period), deliver a duly completed notice of assignment to the Insurers (substantially in the form of schedule 3 (*Notice and Acknowledgement of Assignment of Insurance*) and procure that such notice of assignment along with loss payable clauses (substantially in the forms of schedules 4 (*Loss Payable Clause: Hull & Machinery Policies: Marine and War Risks*) and 5 (*Loss Payable Clause: Protection and Indemnity Association*)) (as applicable)) (or in such other forms as may be required by the Mortgagee) are endorsed upon or attached to the Insurance Documents;
- (b) upon request by the Mortgagee, the Owner shall in respect of any charter, sub-charter or other such contract relating to the Vessel deliver a duly completed notice of assignment to the relevant applicable third party in relation to the same, and shall use its reasonable endeavours to procure that any such third party executes and delivers to the Mortgagee an acknowledgement in such form as the Mortgagee may require; and
- (c) upon request by the Mortgagee, the Owner shall in respect of any other Secured Property deliver a duly completed notice of assignment to any other applicable third party in relation to such Secured Property, and shall use its reasonable endeavours to procure that each such party executes and delivers to the Mortgagee an acknowledgement, in each case in such form as the Mortgagee may require.

3.3 Performance and Indemnity

Notwithstanding the foregoing, the Owner shall remain liable to perform all the obligations to be performed by it in respect of the Secured Property and shall discharge fully its obligations thereunder as they become due and the Mortgagee shall not have any obligation of any kind whatsoever thereunder or be under any liability whatsoever in the event of any failure by the Owner to perform its obligations thereunder and the Owner hereby indemnifies and agrees to keep indemnified the Mortgagee from and against any such liability.

3.4 Release and Transfer

- (a) At the expiry of the Security Period, the Mortgagee shall, at the cost of the Owner, release and transfer to the Owner, the Secured Property.
- (b) Notwithstanding any discharge, release or settlement from time to time between the Mortgagee and the Owner, if any security, disposition or payment granted or made to the Mortgagee in respect of the Secured Obligations by the Owner or any other person is avoided or set aside or ordered to be surrendered, paid away, refunded or reduced by virtue of any law or regulation relating to administration, bankruptcy, insolvency, liquidation, winding-up, composition or arrangement or for any other reason, the Mortgagee shall be entitled thereafter to enforce the Mortgage and / or this Deed as if no such discharge, release or settlement had occurred.

4. CONTINUING AND INDEPENDENT SECURITY

4.1 Continuing Security

The Mortgage and this Deed and the security created thereby and hereby shall remain in full force and effect by way of continuing security and in particular shall not be, nor be considered as, satisfied by

any intermediate discharge or payment on account of any liabilities or any settlement of accounts between the Owner and the Mortgagee.

4.2 Independent Security

The Mortgage and this Deed and the security created thereby and hereby shall be in addition to and not in substitution for or derogation of any other security (whether given by the Owner or otherwise) now or from time to time held by the Mortgagee in respect of or in connection with the Secured Obligations. The Mortgagee shall be under no duty to enforce any other Security Interest or Finance Document before enforcing the security created by the Mortgage and / or this Deed.

4.3 Unrestricted Enforcement

The Mortgagee need not before exercising any of the rights, powers or remedies conferred upon it by the Mortgage and / or this Deed or by law:

- (a) take action or obtain judgment against the Owner, or any other person in any court;
- (b) make or file any claim or prove in a bankruptcy, winding-up, administration or liquidation of the Owner or of any other person; or
- (c) enforce or seek to enforce the recovery of the monies and liabilities thereby or hereby secured by any other security.

5. TAXES AND OTHER DEDUCTIONS

5.1 No Withholding

All payments to be made by the Owner or any other person under the Mortgage and / or this Deed shall be made in full in immediately available funds in the Currency without any set-off or counterclaim whatsoever, free and clear of any Taxes, deductions or withholdings save as required by law.

5.2 Gross-up

If at any time the Owner is required to make any deduction or withholding in respect of Taxes or otherwise from any payment due under the Mortgage or this Deed for the account of the Mortgagee, the sum due from the Owner in respect of such payment shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Mortgagee receives on the due date for such payment (and retains, free from and clear of any Taxes or otherwise) a net sum equal to the sum which it would have received had no such deduction or withholding been required to be made and the Owner shall indemnify the Mortgagee against any Loss suffered, incurred or paid by it by reason of any failure of the Owner to make any such deduction or withholding or by reason of any increased payment not being made on the due date for such payment.

6. COSTS, CHARGES AND EXPENSES

The Owner shall from time to time on demand pay to or reimburse the Mortgagee for any Loss suffered or incurred by the Mortgagee in connection with:

- (a) the preparation, execution and registration of the Mortgage and this Deed and any other documents required in connection herewith;
- (b) the exercise of any of its powers under the Mortgage or this Deed, in suing for or seeking to recover any sums due under the Mortgage or this Deed or otherwise preserving or enforcing its rights under the Mortgage or this Deed;
- (c) the preservation or attempted preservation of the Secured Property;
- (d) the defence of any claim brought against the Mortgagee in respect of the Mortgage or this Deed; or
- (e) releasing or re-assigning the Mortgage and / or this Deed upon the expiry of the Security Period.

and, until payment of the same in full, any such Loss shall be secured by this Deed.

7. UNDERTAKINGS

The Owner hereby undertakes and agrees with the Mortgagee throughout the Security Period that it will:

- (a) **No Security Interest:** not create or attempt or agree to create or permit or suffer to exist any Security Interest over all or any part of the Secured Property (save for any Security Interest created pursuant to the Mortgage and this Deed) and to the extent that any Security Interest is created or exists (notwithstanding the foregoing prohibition), promptly procure that any such Security Interest is discharged from such Secured Property;
- (b) **Third party right:** not grant in favour of any other person any interest in or any option or other right in respect of the Secured Property;
- (c) **Ownership of Secured Property:** at all times remain the sole, absolute legal and beneficial owner of the Vessel and each of the other Secured Property;
- (d) **No Disposal:** not sell or agree to sell, transfer or assign, any part of the Secured Property or deal with or otherwise dispose of the Vessel (or any interest therein) without the prior written consent of the Mortgagee;
- (e) **Copies of Notices:** give to the Mortgagee upon receipt copies of all notices, requests and other documents sent or received with respect to the Secured Property or in connection with any notice affecting the Vessel;
- (f) **Information:** give to the Mortgagee such information regarding the Secured Property as the Mortgagee may require;
- (g) **Enforcement:** do or permit to be done every act or thing which the Mortgagee may from time to time require for the purpose of enforcing the rights of the Mortgagee under the Mortgage and / or this Deed and will allow its name to be used as and when required for that purpose;
- (h) **No Depreciation to Security:** not do or cause, permit or suffer to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value of the Mortgagee's security under the Mortgage or this Deed including ensuring that the Vessel is not captured, seized, arrested, detained, confiscated or taken under execution and shall promptly provide to the Mortgagee the original of any order, notice or other matter served upon the Owner by any third party which may adversely affect the Secured Property and shall promptly comply with, object to or make representations in respect of any such order, notice or other matter as the Mortgagee may require;
- (i) **Outgoings:** pay all rent, charges, Taxes, fees, duties and outgoings of whatsoever nature in respect of the Secured Property and in default thereof the Mortgagee may pay or discharge (without obligation) any such sums which may become due or payable in respect of the Secured Property and the Owner shall promptly indemnify the Mortgagee in relation thereto and discharge or satisfy all claims and demands which if unpaid might in law or otherwise create a Security Interest on the Secured Property (other than a lien on the Vessel for salvage charges or crew wages earned on the voyage then in progress);
- (j) **Compliance with law:** not permit the Secured Property to be used in contravention of any applicable law and shall comply with the requirements of any applicable law relating to or affecting the Secured Property or the user or owner thereof;
- (k) **Registration:** procure that:
 - (i) the Vessel is registered and kept registered on the Register of Ships as a ship at the Port of Registry (or such other jurisdiction and / or port as the Mortgagee may agree in writing) and not do or permit to be done anything whereby such registrations may be forfeited, jeopardised or imperilled;
 - (ii) the Vessel is registered in the Owner's name as registered owner in accordance with all applicable laws and regulations; and

- (iii) the Mortgage is registered on the appropriate register for ship mortgages maintained by the Register of Ships and the Owner shall not take or permit any action which could prejudice any such registration;
- (l) **Parallel Registration:** not parallel register or attempt or agree to parallel register the Vessel or permit or suffer the Vessel to be parallel registered from the Register of Ships on to any other register of ships without the prior written consent of the Mortgagee and then only in accordance with any terms and conditions that may be required by the Mortgagee;
- (m) **Name and Certificates:** not change the name of the Vessel without the prior written consent of the Mortgagee and promptly deliver a certified true copy of the certificate of registration of the Vessel issued by the Flag State and of each renewed or reissued certificate of ownership promptly upon such renewal or reissue;
- (n) **Notice of Mortgage:** carry on board the Vessel with the Vessel's papers a properly certified copy of the applicable Mortgage and exhibit the same to any person having a legal interest in or having business with the Vessel and to any representative of the Mortgagee, and place prominently in the chart room and the master's cabin of the Vessel a framed notice printed in plain type of such size that the paragraph of reading matter shall cover a space not less than 6 inches wide and 9 inches high reading as follows:

NOTICE OF MORTGAGE

This Vessel is covered by a first priority Mortgage and Deed of Covenants collateral thereto in favour of Close Brothers Limited. Under the terms of the said Mortgage and Deed of Covenants, neither the Owner, any charterer, the Master of the Vessel nor any other person has any right, power or authority to create, incur, permit to be imposed or suffer the imposition upon this Vessel any lien or any security interest of any kind other than liens for crew's wages and salvage

- (o) **Notice of Event of Default or Total Loss:** promptly give written notice to the Mortgagee of the occurrence of any Event of Default or any Total Loss or of any writ or proceedings issued against any Vessel or if any Vessel shall be otherwise attached, arrested or detained by any proceeding in any court or tribunal or by any government or other authority;
- (p) **Requisition Compensation:** in the event of requisition for title (or, following the occurrence of an Event of Default, requisition for hire) by any government, state or other authority, the Owner shall execute an assignment in favour of the Mortgagee (in such form as the Mortgagee may direct) in relation to the Requisition Compensation and, if received by the Owner, pay such Requisition Compensation forthwith to the Mortgagee;
- (q) **Charter:** not without the prior written consent of the Mortgagee, (i) demise charter or otherwise part with possession of the Vessel for any period whatsoever (except in accordance with schedule 1 (*Operational and Maintenance Covenants*)) or (ii) voyage or time charter the Vessel or place it under contract for employment for any period other than where such charter or contract (i) which, when aggregated with any optional periods or extensions contained in such charter or contract and/or any consecutive charters with the same charterer, would not exceed the Maximum Charter Period, (ii) is on terms on which no more than one (1) month's charter hire is payable in advance or a hire or freight rate below the market rate, (iii) is entered into on bona fide arm's length basis on ordinary commercial terms and is documented using the Mediterranean Yacht Brokers Association's standard time charter agreement (where the Vessel is a pleasure vessel or yacht) or the BIMCO standard time charter agreement (where the Vessel is a commercial vessel) and provided further that no material amendments are made to such standard form charter agreement without the prior written consent of the Lender and the charter agreement provides that the charterer shall be liable for any VAT payable thereunder, (iv) is arranged directly between the Borrower and the charterer or through first class brokers approved by the Mortgagee; and (v) the Vessel complies with all laws and regulations relating to the chartering of the Vessel including those of the Flag State and any requirements relating to the VAT status of the Vessel;
- (r) **Operation and Maintenance:** comply with each of the operational and maintenance covenants set out in schedule 1 (*Operational and Maintenance Covenants*); and
- (s) **Insurances:** ensure that the Vessel is insured in accordance with the requirements of schedule 2 (*Insurance Covenants*).

8. ENFORCEMENT

8.1 Events of Default

The security created by the Mortgage and this Deed shall become enforceable, and the powers conferred by section 101 of the Law of Property Act 1925 as varied and extended by this Deed shall be exercisable, immediately upon the occurrence of an Event of Default and at any time thereafter, the Mortgagee or its nominee shall be entitled, without prior notice and whether or not it shall have appointed a Receiver, to exercise the power to sell or otherwise dispose of the whole or any part of the Secured Property.

8.2 Power of Sale

The statutory power of sale, of appointing a Receiver and the other statutory powers conferred on mortgagees by section 101 of the Law of Property Act 1925 as varied and extended by this Deed shall arise on the date of this Deed.

9. APPOINTMENT AND POWERS OF RECEIVER

9.1 Appointment of Receiver

At any time after the security created by the Mortgage and / or this Deed has become enforceable, or if requested by the Owner, without any notice or further notice, the Mortgagee may at any time, by deed, or otherwise in writing signed by any officer or manager of the Mortgagee or any person authorised for this purpose by the Mortgagee, appoint one or more persons to be a Receiver. The Mortgagee may similarly remove any Receiver and appoint any person instead of any Receiver. If the Mortgagee appoints more than one person as Receiver, the Mortgagee may give those persons power to act either jointly or severally.

9.2 Scope of Appointment

Any Receiver may be appointed Receiver of all of the Secured Property or Receiver of a part of the Secured Property specified in the appointment. In the latter case, the rights conferred on a Receiver as set out in clause 9.3 (*Rights of Receivers*) shall have effect as though every reference in clause 9.3 (*Rights of Receivers*) to the Secured Property was a reference to the part of the Secured Property so specified or any part of the Secured Property.

9.3 Rights of Receivers

Any Receiver appointed pursuant to this Deed shall have the rights, powers, privileges and immunities conferred by the Insolvency Act 1986 on administrative or other receivers duly appointed under the Insolvency Act 1986, and shall also have the right, either in his own name or in the name of the Owner or otherwise and in such manner and upon such terms and conditions as the Receiver thinks fit, and either alone or jointly with any other person:

- (a) **Enter into Possession:** to take possession of the Vessel, and for this purpose to enter upon any premises where the Vessel or any part thereof may be located;
- (b) **Insurance:** to require that all policies, contracts and other records relating to the Insurances (including details of, and correspondence concerning, outstanding claims) be delivered forthwith to such brokers as the Mortgagee may nominate and to insure the Vessel against loss and damage and in respect of third party passenger and property damage liability on such terms and with such persons as it thinks fit;
- (c) **Insurance Claims:** to collect, recover, compromise and give a good discharge for all claims then outstanding or thereafter arising under the Insurances or any of them and to take over or institute (if necessary using the name of the Owner) all such proceedings in connection therewith and to permit the brokers through whom collection or recovery is effected to charge the usual brokerage therefor;
- (d) **Claims:** to settle, defend, discharge, compound, release, adjust, refer to arbitration, compromise and arrange any claims whatsoever in connection with the Vessel or any other Secured Property including all claims against the Owner in respect of the Secured Property including those which have given or may give rise to any charge or Security Interest on the Vessel or which are or may be enforceable by proceedings against the Vessel;

- (e) **Legal Actions:** to bring, prosecute, enforce, defend and abandon actions, suits and proceedings in relation to the Secured Property including to recover, institute, pursue discharge, compound, release or compromise all claims by the Owner in respect of the Vessel or any other Secured Property;
- (f) **Repairs and Maintenance:** to repair and keep in repair the Vessel, to carry out such maintenance work and modifications required so that the Vessel complies with the provisions of the Finance Documents, and generally maintain, preserve and protect the Vessel and keep the same free from any Security Interest;
- (g) **Deal with Secured Property:** to sell, transfer, assign, exchange, charter, lend or otherwise dispose of or realise the Secured Property to any person (including any person connected with the Owner or the Mortgagee) either by public offer or auction, tender or private contract and for a consideration of any kind (which may be payable or delivered in one amount or by instalments spread over a period or deferred);
- (h) **Borrow Money:** to borrow or raise money on the security of the Secured Property (either in priority to the security created by the Mortgage or this Deed or otherwise) and on such terms and conditions and for such purpose as he may think fit;
- (i) **Rights of Ownership:** to manage and use the Secured Property and to exercise and do (or permit the Owner or any nominee of it to exercise and do) all such rights and things as the Receiver would be capable of exercising or doing if he were the sole, absolute, legal and beneficial owner of the Secured Property;
- (j) **Redemption of Security:** to redeem any Security Interest (whether or not having priority to the security created by this Deed) over the Secured Property and to settle the accounts of any person with an interest in the Secured Property;
- (k) **Insolvency Act:** to exercise all powers set out in Schedule 1 (*Operational and Maintenance Covenants*) (or Schedule B1 to the Insolvency Act 1986 as now in force (whether or not in force at the date of exercise and whether or not the Receiver is an administrative receiver) and any powers added to Schedule 1 (*Operational and Maintenance Covenants*) or Schedule B1 of the Insolvency Act 1986 after the date of this Deed; and
- (l) **Other Powers:** to exercise all the rights and powers of a mortgagee in law, equity or otherwise and to do anything else he may think fit for the realisation of the Secured Property or incidental to the exercise of any of the rights conferred on the Receiver under or by virtue of any Finance Document, the Law of Property Act 1925 or the Insolvency Act 1986.

9.4 Agent of Owner

Any Receiver shall be the agent of the Owner for all purposes. The Owner alone shall be responsible for the Receiver's contracts, engagements, acts, omissions, defaults and Losses suffered, incurred or paid by the Receiver.

9.5 Remuneration of Receiver

The Mortgagee may determine the remuneration of any Receiver at a rate fixed by agreement between the Receiver and the Mortgagee (or, failing such agreement, to be fixed by the Mortgagee). The Mortgagee may direct payment of that remuneration out of monies the Receiver receives in his capacity as Receiver. The Owner alone shall be liable for the remuneration and all other costs, charges and expenses of the Receiver.

10. MORTGAGEE'S RIGHTS

10.1 Same Rights as Receiver

Any rights conferred by any Finance Document upon a Receiver may be exercised by the Mortgagee after the security constituted by the Mortgage and / or this Deed becomes enforceable, whether or not the Mortgagee shall have taken possession or appointed a Receiver of the Secured Property.

10.2 Delegates

The Mortgagee may delegate in any manner to any person any rights exercisable by the Mortgagee under any Finance Document. Any such delegation may be made upon such terms and conditions (including power to sub-delegate) as the Mortgagee thinks fit.

11. APPLICATION OF PROCEEDS

All monies received by the Mortgagee or any Receiver or Delegate under the Mortgage or this Deed shall be applied in or towards satisfaction of the Secured Obligations in such order of priority as the Mortgagee in its absolute discretion may determine (subject to the prior discharge of all liabilities having priority thereto by law) and, subject to any such determination, in the following order of priority:

- (a) in payment of any Loss suffered, incurred or paid by the Mortgagee or any Receiver or Delegate in connection with the exercise of any power under the Mortgage or this Deed, the preserving or attempting to preserve the security created thereby or hereby or the Secured Property and of all outgoings paid by the Mortgagee;
- (b) in payment to any Receiver of all remuneration as may be agreed between such Receiver and the Mortgagee should be paid to such Receiver in connection with its appointment as such; and
- (c) in or towards reduction of the remaining Secured Obligations in such manner as the Mortgagee shall determine.

12. LIABILITY OF MORTGAGEE, RECEIVERS AND DELEGATES

12.1 Possession

If the Mortgagee or any Receiver or Delegate takes possession of the Secured Property, it or he may at any time relinquish possession. Without prejudice to clause 12.2 (*Mortgagee's Liability*), the Mortgagee shall not be liable as a mortgagee in possession by reason of dealing with or repairing any of the Secured Property.

12.2 Mortgagee's Liability

Neither the Mortgagee nor any Receiver or Delegate shall (either by reason of taking possession of the Secured Property or for any other reason and whether as mortgagee in possession or otherwise) be liable to the Owner or any other person for any Losses relating to the realisation of any of the Secured Property or from any act, default, omission, or misconduct of the Mortgagee, any Receiver, any Delegate or their respective officers, employees or agents in relation to the Secured Property or in connection with the Finance Documents and any action or transaction taken by any Receiver, Delegate or the Mortgagee pursuant to the Mortgage or this Deed shall not be affected by the remedying of any Event of Default. If the Mortgagee takes possession of the Vessel, the Mortgagee shall not be liable for any act, default, omission or misconduct for which a mortgagee-in-possession would be liable.

13. PROTECTION OF THIRD PARTIES

13.1 No Duty to Enquire

No person dealing with the Mortgagee or any Receiver or Delegate shall be concerned to enquire:

- (a) whether the rights conferred by this Deed or any of the other Finance Documents are exercisable;
- (b) whether any consents, regulations, restrictions or directions relating to such rights have been obtained or complied with;
- (c) otherwise as to the propriety or regularity of acts purporting or intended to be in exercise of any such rights; or
- (d) as to the application of any money borrowed or raised.

13.2 Protection to Purchasers

All the protection to purchasers contained in sections 104 and 107 of the Law of Property Act 1925, section 42(3) of the Insolvency Act 1986 or in any other applicable legislation shall apply to any person purchasing from or dealing with the Mortgagee, any Receiver or any Delegate.

14. INDEMNITY

14.1 General Indemnity

The Owner shall indemnify and keep indemnified the Mortgagee, every Receiver and every Delegate from and against all Losses which the Mortgagee may suffer or incur in connection with:

- (a) the preparation, execution and registration of the Mortgage and this Deed and any other documents required in connection with the Mortgage or this Deed;
- (b) the exercise of any of its powers under the Mortgage or this Deed, in suing for or seeking to recover any sums due under the Mortgage or this Deed or otherwise preserving or enforcing its rights under the Mortgage or this Deed;
- (c) the perfection, preservation or enforcement of the security created by the Mortgage or this Deed;
- (d) the non-performance or non-observance of any covenant, undertaking or agreement on the part of the Owner under any Finance Document;
- (e) the manufacture, description, fitness for purpose, merchantability suitability, quality, state, appearance, safety, durability, value, design, testing, delivery, import, export, registration, ownership, possession, control, use, operation, leasing, sub-leasing, insurance, maintenance, repair, refurbishment, service, overhaul, modification, change, alteration, loss, damage, docking, dry-docking, laying-up, storage, removal, re-delivery or otherwise of the Vessel;
- (f) the defence of any claim brought against the Mortgagee in respect of the Vessel;
- (g) the payment of any stamp duty, value added tax or similar tax or duty in connection with the Vessel, the Mortgage or this Deed;
- (h) releasing or re-assigning the Mortgage or this Deed upon the expiry of the Security Period; and
- (i) of any matter or thing done or omitted to be done relating in any way whatsoever to the Secured Property,

and, until payment of the same in full, any such Loss shall be secured by this Deed.

14.2 Currency Indemnity

If an amount due to the Mortgagee from the Owner in one currency (the **first currency**) is received by the Mortgagee in another currency (the **second currency**), the Owner's obligations to the Mortgagee in respect of such amount shall only be discharged to the extent that the Mortgagee may purchase the first currency with the second currency in accordance with its normal banking practice. If the amount of the first currency which may be so purchased (after deducting any costs of exchange and any other related costs) is less than the amount so due, the Owner shall indemnify the Mortgagee against the shortfall.

14.3 Payment and Security

The Mortgagee may retain and pay out of any money in the hands of the Mortgagee all sums necessary to effect the indemnities contained in this clause 14 and all sums payable by the Owner under this clause 14 shall form part of the monies hereby secured.

15. SUSPENSE ACCOUNT

The Mortgagee may place and keep any monies received under the Mortgage or this Deed, before or after the insolvency of the Owner to the credit of a suspense account in order to preserve the rights of the Mortgagee to sue or prove for the whole amount in respect of claims against the Owner or any other person.

16. SET-OFF

The Mortgagee may at any time without notice, notwithstanding any settlement of account or other matter whatsoever, combine or consolidate all or any obligation it owes to the Owner in whatever currency and set-off any sum in respect of such obligation in or towards satisfaction of the Secured Obligations.

17. POWER OF ATTORNEY

The Owner, by way of security, irrevocably appoints the Mortgagee, every Receiver and every Delegate and any persons deriving title under it jointly and severally to be its attorney (with full power of substitution) and in its name or otherwise on its behalf and as its act and deed to sign, seal, execute, deliver, perfect and do all deeds, instruments, acts and things which may be required or which such attorney or the Mortgagee shall think proper or expedient for carrying out any obligations imposed on the Owner under the Mortgage and / or this Deed or for exercising any of the powers conferred by the Mortgage and / or this Deed or for giving to the Mortgagee the full benefit of the security created thereby and hereby and so that this appointment shall operate to authorise such attorney to do on behalf of the Owner anything it can lawfully do by an attorney (including in relation to the Vessel, the Earnings, the Insurances and the Requisition Compensation). The Owner ratifies and confirms and agrees to ratify and confirm any deed, instrument, act or thing which such attorney or substitute may execute or do.

18. FURTHER ASSURANCES

- (a) The Owner agrees that at any time and from time to time upon the written request of the Mortgagee it will promptly and duly execute and deliver any and all such further instruments and documents as the Mortgagee may deem desirable for the purpose of obtaining the full benefit of the Mortgage and this Deed, for giving effect to the security created by the Mortgage and this Deed and of the rights and powers granted in the Mortgage and this Deed (including executing and delivering to the Mortgagee such documents of transfer as the Mortgagee may require in the event of sale of the Vessel pursuant to any power of sale contained in the Mortgage or this Deed or which the Mortgagee may have in law).
- (b) The obligations of the Owner under clause 18(a) shall be in addition to and not in substitution for the covenants for further assurance deemed to be included in this Deed by virtue of the Law of Property (Miscellaneous Provisions) Act 1994.

19. MISCELLANEOUS

19.1 Interpretation

- (a) In this Deed any reference to:
 - (i) the **Owner** or the **Mortgagee** or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
 - (ii) **assets** includes present and future properties, revenues and rights of every description;
 - (iii) this **Deed**, a **Finance Document** or to any other agreement or document shall, unless the context otherwise requires, be construed as a reference to this Agreement, that Finance Document or such other agreement or document as the same may from time to time be amended, varied, supplemented, novated and/or replaced;
 - (iv) **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;
 - (v) **including** or **includes** means including without limitation;

- (vi) **Secured Obligations** includes obligations and liabilities which would be treated as such but for the liquidation, administration or dissolution of or similar event affecting the Owner;
 - (vii) a **person** includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing;
 - (viii) a **regulation** includes any regulation, rule, official directive, requirement, international convention, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation and any statute, statutory instrument, regulation or order shall be deemed to be a reference to that statute, statutory instrument, regulation or order as amended, varied or replaced from time to time;
 - (ix) words importing the plural include the singular (and vice versa) and the masculine includes the feminine and neuter;
 - (x) a clause or schedule is a reference to a clause of or schedule to this Deed;
 - (xi) a time of day is a reference to London time; and
 - (xii) an Event of Default which is **continuing** shall be construed as meaning an Event of Default that has not been expressly waived in writing by the Mortgagee or remedied to the satisfaction of the Mortgagee.
- (b) Clause and schedule headings are for ease of reference only and shall not affect the construction of this Deed.
 - (c) Each undertaking of the Owner (other than a payment obligation) contained in this Deed:
 - (i) must be complied with at all times during the Security Period; and
 - (ii) is given by the Owner for the benefit of the Mortgagee.
 - (d) If the Mortgagee reasonably considers that an amount paid by the Owner to it under this Deed is capable of being avoided or otherwise set aside on the liquidation or administration of the Owner, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.
 - (e) The parties hereto intend that this document shall take effect as a deed notwithstanding the fact that a party to this Deed may only execute this document under hand.

19.2 Delay is not a waiver

Any delay or failure by the Mortgagee to exercise any right or remedy under the Mortgage or this Deed shall not constitute a waiver of them and any of our rights or remedies may be enforced separately or concurrently with any other right or remedy now or in the future accruing to us to the effect that such rights are cumulative and not exclusive of each other.

19.3 Amendment

Any amendment or waiver of any provision of this Deed and any waiver of any default under this Deed shall be effective only if made in writing and signed by the Mortgagee.

19.4 Statement of Account

A statement of account, certificate or determination signed as correct by the Mortgagee as to any rate of interest or any amount payable to it under the Finance Documents shall, in the absence of manifest error or fraud, be conclusive for the purposes of the Finance Documents and *prima facie* evidence in any legal action or proceeding arising out of or in connection with the Finance Documents.

19.5 Severability

If any term or provision of this Deed shall to any extent be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining terms or provisions (and any other application of the said terms and provisions) shall not in any way be affected or impaired as a result.

19.6 Assignment

- (a) The Mortgagee may assign or transfer all or any of its rights under this Deed without the consent of the Owner. The Owner will not assign, transfer, hold on trust or otherwise dispose of any of its rights and/or obligations under this Deed.
- (b) The Mortgage and / or this Deed shall be binding upon and enure to the benefit of the Owner and the Mortgagee and each of their respective successors and permitted assigns.

19.7 Third Party Rights

The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Deed and nothing in this Deed confers or purports to confer on any third party any benefit or right to enforce any term of this Deed. Nothing in this clause 19.7 shall restrict the rights of any of our assignees or successors.

19.8 Law of Property Act 1925

Sections 93 and 103 of the Law of Property Act 1925 shall not apply to the Mortgage or this Deed.

19.9 Counterparts

This Deed may be executed in any number of counterparts which together make one and the same document.

20. NOTICES

The provisions of clause 16 of the Loan Agreement shall apply (*mutatis mutandis*) to this Deed.

21. GOVERNING LAW AND JURISDICTION

- (a) The Mortgage and this Deed (and any non-contractual obligations arising out of or in connection with it) will be governed by English law.
- (b) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with the Mortgage or this Deed (including a dispute regarding the existence, validity or termination of the Mortgage or this Deed (a **Dispute**)).
- (c) The Owner and the Mortgagee agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly neither the Owner nor the Mortgagee will argue to the contrary.
- (d) Clauses 21(a) and 21(b) are for the benefit of the Mortgagee only. As a result, the Mortgagee shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Mortgagee may take concurrent proceedings in any number of jurisdictions.
- (e) Notwithstanding this clause 21, the Mortgagee shall have the right to arrest and take action against or in relation to the Vessel and/or any other vessel belonging to the Owner wherever it or they may be located and for this purpose, the Owner agrees that any claim form, judgment or other legal process may be served on the Owner, the Vessel or such other vessel on the master (or anyone acting as the master) of the Vessel or such other vessel against which the action is taken and such service shall be deemed good service on the Owner, the Vessel or such other vessel for all purposes.
- (f) The Owner waives generally all immunity it or its assets or revenues may otherwise have in any jurisdiction, including immunity in respect of (a) the giving of any relief by way of injunction or order for specific performance or for the recovery of assets or revenues, and (b) the issue of any process against its assets or revenues for the enforcement of a judgment or, in an action in rem, for the arrest, detention or sale of any of its assets and revenues (including, the Vessel). The Owner agrees that in any proceedings in England this waiver shall have the fullest scope

permitted by the English State Immunity Act 1978 and that this waiver is intended to be irrevocable for the purposes of the English State Immunity Act 1978.

- (g) Where a Process Agent is specified in the Loan Agreement, the Owner shall irrevocably appoint the Process Agent as its agent for service of process in relation to any proceedings before the English courts in connection with this Deed and agree that failure by the Process Agent to notify the Owner of the process will not invalidate the proceedings concerned.

IN WITNESS of which this Deed has been duly executed by the Owner as a deed and duly executed by the Owner and has been delivered on the first date specified on page 1 of this Deed by the Owner.

SCHEDULE 1: OPERATIONAL AND MAINTENANCE COVENANTS

The Owner covenants with the Mortgagee that throughout the Security Period it will:

1. not cause or permit the Vessel to be operated in any manner contrary to law or regulation and not to engage in any unlawful trade or carry any cargo that will expose the Vessel to penalty, forfeiture or capture and in the event of hostilities in any part of the world (whether a war be declared or not) nor employ the Vessel or permit its employment in carrying any contraband goods;
2. not cause or permit or suffer the Vessel to be operated outside Permitted Waters or outside the territorial limits imposed in the Insurances or in any manner contrary to law or regulation; and ensure that the Vessel is not operated to engage in any unlawful trade or carry any cargo that will expose the Vessel to penalty, forfeiture or capture and in the event of hostilities in any part of the world (whether a war be declared or not) nor employ the Vessel or permit its employment in carrying any contraband goods and shall comply with the requirements of any applicable law or regulation relating to or affecting the Vessel or the user thereof;
3. on the written request of the Mortgagee, provide satisfactory evidence that the wages, allotments, insurance and pension contributions of the master and crew of the Vessel are being paid in accordance with the articles of agreement relating to the Vessel, their terms of employment and relevant law and regulation, and that all deductions from the remuneration of the master and crew in respect of any tax liability (including PAYE) and national insurance contributions are being made and accounted for to the relevant authority and that the master has no claim for disbursements other than those properly incurred by him in the ordinary trading of the Vessel on the voyage then in progress;
4. not without the prior written consent of the Mortgagee, enter into any agreement or arrangement whereby the Earnings may be shared with any other person;
5. not without the prior written consent of the Mortgagee, deliver the Vessel into the possession of any person or shipyard, except in accordance with paragraph 11 below;
6. in the event of requisition of the Vessel by any government authority or other competent authority, execute any assignment that the Mortgagee may request in relation to any Requisition Compensation and, if received by the Owner, pay such Requisition Compensation immediately to the Mortgagee;
7. at all times and at the Owner's expense maintain the Vessel in a seaworthy condition and in good running order and repair in accordance with first-class ownership and management practice of a financed vessel of the same type as the Vessel and (if applicable) to be classed with the Classification Society as per the Class free from recommendations and notations and provide the Mortgagee annually with a certificate issued by the Classification Society confirming that such classification is maintained and with copies of all other classification and international trading certificates as the Mortgagee may request in writing;
8. submit the Vessel regularly to such periodical or other surveys as may be required for classification purposes or by applicable law or regulation and if required by the Mortgagee, provide the Mortgagee with copies of all survey reports issued as a result thereof and notify the Mortgagee immediately of any recommendation or requirement imposed by the Classification Society, Insurers or any other competent authority that is not complied with in accordance with its terms;
9. authorise the Classification Society and all other regulatory authorities to disclose to the Mortgagee any information or documents requested by the Mortgagee relating to the classification, repair, maintenance or seaworthiness of the Vessel;
10. not without the prior written consent of the Mortgagee, de-activate or lay-up the Vessel and give the Mortgagee prior notice of any proposed dry docking or underwater survey so that the Mortgagee (if it so requires) can arrange for its authorised representative to be present;
11. not without the prior written consent of the Mortgagee deliver the Vessel into the possession of any person or shipyard for effecting repairs or renewals to the Vessel the cost of which will exceed such repair threshold as the Mortgagee may notify to the Owner in writing from time to time unless such person or shipyard shall have given a written undertaking to the Mortgagee not to exercise any Security Interest or right of detention on the Vessel in respect of the cost of such repairs or renewals or the cost

of the repairs or renewals is payable by the Insurers under the Insurances and the Insurers have approved the proposed repairs or renewals in terms satisfactory to the Mortgagee;

12. not without the prior written consent of the Mortgagee, remove or permit or suffer the removal of any part of the Vessel or any equipment or machinery belonging to the Vessel, nor make or permit or suffer to be made any alteration in the structure, type or speed of the Vessel which materially reduces the value of the Vessel (unless such removal or alteration is required by the Classification Society or by law or regulation) and procure that any replacement parts or equipment do not diminish the value of the Vessel and are the property of the Owner (free and clear from any Security Interest (other than pursuant to the Finance Documents));
13. at all reasonable times permit the Mortgagee and / or its authorised representative full and complete access to the Vessel for the purpose of inspecting the state and condition of the Vessel and its cargo and papers and, if so requested by the Mortgagee, deliver for inspection copies of any and all contracts and documents relating to the Vessel whether on board or not and allow full access to the Mortgagee to all financial information of the Owner;
14. promptly provide the Mortgagee with any information requested by the Mortgagee concerning the use, employment and position of the Vessel or the classification, status (including a copy of the log book), condition, maintenance, insurance, employment and the position of the Vessel;
15. duly perform and discharge all duties and liabilities imposed on the Owner under any charter, bill of lading or other contract relating to the Vessel;
16. not appoint a manager of the Vessel without the Mortgagee's prior written consent;
17. in the event that any Security Interest is created or permitted to suffer over all or any part of the Secured Property (or any share or interest therein) in breach of the Finance Documents, promptly procure the release of such Security Interest;
18. procure that any Security Interest created in favour of the Mortgagee shall be promptly registered on all applicable registers, in accordance with the rules of the relevant register;
19. at all times comply with all legal requirements whether imposed by statute, regulation, common law or otherwise (including all port state control requirements and all requirements of the IMO International Safety Management Code, the International Ship and Port Facility Security Code and the Code of Practice for Safety of Large Commercial Sailing and Motor Vessels published by the Maritime and Coastguard Agency in the United Kingdom (as may be applicable to the Vessel)) and have on board the Vessel as and when legally required valid certificates showing compliance with such requirements including a valid document of compliance with respect to the IMO International Safety Management Code and ensure that the Vessel is in possession of a valid safety management certificate and comply with all legal requirements applicable in the countries or zones in which the Vessel may from time to time trade;
20. following any request by the Mortgagee, submit the Vessel to be valued by a Mortgagee approved professional valuer or such other person as the Mortgagee may nominate, at the cost and expense of the Owner (i) on an annual basis, (ii) at any time, if the Mortgagee has reason to believe that the Market Value of the Vessel is such that the Loan exceeds the LTV Amount or (iii) at any time following the occurrence of an Event of Default;
21. immediately notify the Mortgagee of any Environmental Claim made or threatened or pending against the Owner (or any of the Owner's Associates) or the Vessel or any Environmental Incident and to keep the Mortgagee advised of the nature of any such Environmental Claim or Environmental Incident and the proposed and actual response of the Owner, any operator, charterer, or manager of the Vessel or any other person having control of the Vessel from time to time; and
22. comply (and shall procure that any operator, charterer or manager of the Vessel shall comply) in all respects with all applicable Environmental Laws and comply with and maintain in force all Environmental Approvals.

SCHEDULE 2: INSURANCE COVENANTS

The Owner covenants with the Mortgagee that throughout the Security Period it will:

1. insure and keep insured the Vessel in the Currency, at the Owner's expense in the full insurable value of the Vessel but in no event for an amount less than the Agreed Value or such other amount as the Mortgagee and the Owner may agree against fire, marine and other risks (including Excess Risks) and War Risks covered by hull and machinery policies;
2. enter the Vessel at the Owner's expense in the name of the Owner for its full value and tonnage in a protection and indemnity association approved by the Mortgagee with unlimited liability if available otherwise with the least limited liability against all Protection and Indemnity Risks;
3. to insure the Vessel at its own expense against all oil pollution liability and contamination risks with such Insurers and on such terms as the Mortgagee may approve;
4. effect such additional Insurances at the Owner's expense as (in the reasonable opinion of the Mortgagee) shall be necessary or advisable from time to time;
5. effect the Insurances through the Approved Brokers in such amounts, upon such terms and with such Insurers as shall from time to time be approved in writing by the Mortgagee as and when each such renewal is effected and not make any alterations to the terms of, or waiver any rights under, any Insurances without the prior written consent of the Mortgagee;
6. renew each of the Insurances at least 14 days before expiry thereof and procure that the Approved Brokers or the Insurers promptly confirm in writing to the Mortgagee the terms and conditions of each renewal as and when each such renewal is effected;
7. punctually pay all premiums, calls, contributions or other amounts payable in respect of the Insurances and to produce all relevant receipts when so required in writing by the Mortgagee;
8. arrange for the execution of such guarantees as may from time to time be required by the protection and indemnity or war risks association in connection with the Insurances;
9. give notice of assignment of the Insurances to the Insurers substantially in the form of schedule 3 (*Notice and Acknowledgement of Assignment of Insurance*) and procure that a notice of assignment and a Loss Payable Clause in the form of schedules 4 (*Loss Payable Clause: Hull & Machinery Policies: Marine and War Risks*) or 5 (*Loss Payable Clause: Protection and Indemnity Association*) (as applicable) are endorsed upon or attached to the Insurance Documents, each in such form as may be required by the Mortgagee;
10. procure that the Insurance Documents are deposited with the Approved Brokers and that the Approved Brokers provide the Mortgagee with certified copies thereof and issue to the Mortgagee a letter or letters of undertaking in such form as the Mortgagee may request and procure that the Insurance Documents permit the Mortgagee to make proof of loss if the Owner fails to do so;
11. to procure that the protection and indemnity and / or war risks associations in which the Vessel is entered provide the Mortgagee with a copy of the certificate of entry and with a letter or letters of undertaking in such form as the Mortgagee may request;
12. to procure that the Insurance Documents provide that any lien or set off for unpaid premiums or calls that the Approved Brokers or the Insurers may have is limited to the premiums or calls due in relation to the Insurances on the Vessel only and the Insurers shall not cancel any of the Insurances by reason of non-payment of premium or calls due in respect of other vessels or in respect of other insurances and for 14 days prior written notice to be given to the Mortgagee by the Insurers (such notice to be given even if the Insurers have not received an appropriate enquiry from the Mortgagee) in the event of cancellation or termination of Insurances and in the event of the non-payment of the premium or calls, the right to pay the said premium or calls within a reasonable time;
13. to procure that the Insurers and/or the Approved Brokers undertake to give:
 - (a) written notice to the Mortgagee immediately of any change in the terms and conditions of the Insurances or any suspension, cancellation or termination of the Insurances;

- (b) in the event of the non-payment of the premium or calls the right for the Mortgagee to pay the unpaid premium or calls within a reasonable time; and
 - (c) 14 days prior written notice to the Mortgagee (such notice to be given even if the Insurers and/or the Approved Brokers have not received an appropriate enquiry from the Mortgagee) in the event of the non-renewal of the Insurances;
- 14. promptly provide the Mortgagee with full information regarding any casualties or damage to the Vessel in an amount in excess of such threshold as the Mortgagee may notify to the Owner from time to time or as a result of which the Vessel has become or may become a Total Loss;
- 15. at the written request of the Mortgagee, provide the Mortgagee with (or reimburse the Mortgagee in relation to the cost of) a detailed report in relation to the Insurances issued by a firm of marine insurance brokers or consultants nominated by the Mortgagee, and provide such brokers or consultants with all information and documents as they may from time to time reasonably require;
- 16. where a mortgagee's interest insurance policy is required, effect and maintain at the Owner's expense and in the name of the Mortgagee a mortgagee's interest insurance policy and mortgagee's interest additional perils (pollution) policy for the Vessel in an amount of not less than the Agreed Value and upon such terms as shall from time to time be required and approved by the Mortgagee in writing and through the Approved Brokers and with such Insurers as shall from time to time be approved in writing by the Mortgagee;
- 17. not do any act nor permit or suffer any act to be done as a result of which any Insurance shall or may be suspended or avoided and not permit the Vessel to engage in any voyage nor to carry any cargo not permitted under the Insurances in effect;
- 18. not without the prior written consent of the Mortgagee permit or suffer the Vessel to enter or trade to any zone which is declared a war zone by any government or by the Vessel's War Risk Insurers;
- 19. ensure that until an Event of Default occurs (in which event all claims under the Insurances will be paid to the Mortgagee), all claims payable under the Insurances will be payable as follows (without set-off, counterclaim or deductions or conditions whatsoever except for any agreed deductible notified to the Mortgagee):
 - (a) every amount received in respect of a Total Loss or a major casualty (that is any casualty other than a Total Loss) in respect of which the claim or aggregate of the claims exceeds an amount in excess of such threshold as the Mortgagee may notify to the Owner from time to time (inclusive of any deductible) shall be paid to the Mortgagee provided that all amounts received by the Mortgagee in relation to a major casualty claim shall be paid to the Owner on production of evidence satisfactory to the Mortgagee that the damage resulting from such major casualty has been properly repaired and all liabilities have been discharged, and further provided that, with the previous consent in writing of the Mortgagee, the Insurers may make payments on account of repairs being carried out; and
 - (b) every other amount payable in respect of a claim under the Insurances shall be paid to the Owner and applied for the purposes of the repair of the damage, reparation of the loss or the discharge of the liability in respect of which such amount shall have been paid;
- 20. procure that all amounts payable under the Insurances are paid in accordance with the loss payable clause and to apply all amounts as are paid to the Owner and the reparation of the loss in respect of which the said amounts shall have been received; and
- 21. should the Vessel be laid up for any period, arrange "lay-up" insurances for the Vessel during such period, at the Owner's own cost and upon such terms and conditions, in such amounts and with such Insurers as shall from time to time be approved in writing by the Mortgagee.

SCHEDULE 3: NOTICE AND ACKNOWLEDGEMENT OF ASSIGNMENT OF INSURANCE

To:

Date: 22/12/21

Sunseeker 76 Yacht named 76Y 1091 with HIN GB-XSK 07733 K122 (VESSEL)

We hereby give you notice that by a deed of covenants dated [22 December 2021] (Mortgage) and made between Sunseeker London Limited (Owner) and Close Brothers Limited (Mortgagee) the Owner has assigned to the Mortgagee all of its right, title, interest and benefit in, to and under, inter alia, the proceeds of all policies and contracts of insurance or such other insurance arrangements which are from time to time entered into in respect of the Vessel (including, pursuant to schedule 2 of the Mortgage), including all claims under the policies and contracts and return of premiums (excluding proceeds in respect of any third party liability) in relation to the Vessel.

Please acknowledge receipt of this notice by countersigning and dating this notice and send such countersigned and dated notice to the Mortgagee.

Terms used in this notice shall, unless the context otherwise requires, have the same meaning as in the Mortgage (including terms defined therein by reference to another document, instrument or agreement).

For and on behalf of
Sunseeker London Limited

By: Christopher Head

Title: Director

To: Close Brothers Limited

We acknowledge receipt of this notice and confirm that we have not previously received any notice of any other assignment of the interest of the Owner in the above-mentioned insurances.

For and on behalf of _____

By: _____

Title: _____

Date: _____

SCHEDULE 4: LOSS PAYABLE CLAUSE: HULL & MACHINERY POLICIES: MARINE AND WAR RISKS

Sunseeker 76 Yacht named 767199 with HIN GB-XSK 07733 K122 (VESSEL)

By a deed of covenants between Sunseeker London Limited (Owner) and Close Brothers Limited (Mortgagee) the Owner has assigned to the Mortgagee, as first priority mortgagee, all of its right, title and interest in the insurances on the Vessel (including this policy).

It has nevertheless been agreed between the parties concerned that unless the underwriters shall have received notice from the Mortgagee to the contrary, in which event all claims payable under the policy of insurance shall be payable direct to the Mortgagee, all claims shall be payable as follows:

1. there shall be paid to the Mortgagee any and every amount receivable in respect of a total loss (including an actual or constructive or compromised or arranged total loss) or of a major casualty (that is to say any casualty (other than a total loss) in respect of which the claim or aggregate of the claims exceeds such threshold as notified by the Mortgagee to the Owner from time to time (inclusive of any deductible)); and
2. every other amount receivable in respect of this policy of insurance shall be paid to the Owner and shall be applied by it for the purpose of the repair of all the damage, the reparation of the loss and the discharge of the liability in respect of which such amount shall have been paid.


For and on behalf of
Sunseeker London Limited

By: Christopher Heed

Title: Director

Date: 22/12/21


Signed on behalf of
CLOSE BROTHERS LIMITED

Name: CAROLINE CLIFF

Title: SENIOR COMMERCIAL MANAGER.

Date: 22/12/21

SCHEDULE 5: LOSS PAYABLE CLAUSE: PROTECTION AND INDEMNITY ASSOCIATION

By a deed of covenants between Sunseeker London Limited (**Owner**) and Close Brothers Limited (**Mortgagee**) the Owner has assigned to the Mortgagee, as first priority mortgagee, all of its right, title and interest in the insurances (including this entry) relating to the Vessel.

It has nevertheless been agreed between the parties that payment of any recovery the Owner is entitled to receive out of the funds of the Association in respect of any liability, costs or expenses incurred by it shall be made to the Owner or to its order unless and until the Association receives notice from the Mortgagee to the contrary, in which event all recoveries shall thereafter be paid to the Mortgagee or its order, provided always that no liability whatsoever shall be attached to the Association, its managers or their agents for failure to comply with the latter obligation until after the expiry of two (2) clear business days from the receipt of such notice.


Signed on behalf of
Sunseeker London Limited

Name: Christopher Reed

Title: Director

Date: 22/12/21


Signed on behalf of
CLOSE BROTHERS LIMITED

Name: CAROLINE CLIFF

Title: SENIOR COMMERCIAL MANAGER.

Date: 22/12/21

EXECUTION PAGE

THE OWNER

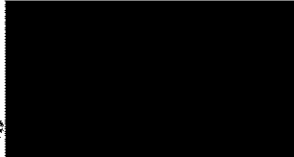
EXECUTED as a deed for and on behalf of)
Sunseeker London Limited by a director)
in the presence of a witness:)

Signature



Name (block capitals) CHRIS HEAD
Director

Witness signature



Witness name
(block capitals)

James Crew

Witness address



THE MORTGAGEE

SIGNED for and on behalf of)
CLOSE BROTHERS LIMITED by an)
authorised signatory)
in the presence of a witness:)

Signature



Name (block capitals) CAROLINE WIFF
Authorised signatory

Witness signature



Witness name
(block capitals)

MEYSSA WELCH

Witness address

c/o Wimbledon Bridge House
1 Hartfield Road
London
SW19 3RU