



Registration of a Charge

Company name: **JVC INVESTMENTS LIMITED**

Company number: **04552533**



X64QI4Q2

Received for Electronic Filing: **20/04/2017**

Details of Charge

Date of creation: **04/04/2017**

Charge code: **0455 2533 0003**

Persons entitled: **INTERBAY FUNDING LIMITED**

Brief description: **ALL THAT LEASEHOLD LAND KNOWN AS 286A KINGSHILL AVENUE
HAYES MIDDLESEX UB4 8BY AND WHICH IS REGISTERED AT THE LAND
REGISTRY WITH TITLE NUMBER NGL555615**

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: **GORVINS SOLICITORS**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 4552533

Charge code: 0455 2533 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 4th April 2017 and created by JVC INVESTMENTS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 20th April 2017 .

Given at Companies House, Cardiff on 21st April 2017

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**

We hereby certify that this is a true
and complete copy of the original
GORVINS (SOLICITORS)
DALE HOUSE, TIVOT DALE
STOCKPORT SK1 1TA

20/4/17

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**NOTE: THIS IS AN IMPORTANT LEGAL DOCUMENT WHICH INCLUDES OBLIGATIONS.
YOU ARE RECOMMENDED TO TAKE LEGAL ADVICE BEFORE SIGNING IT.**

THIS DEBENTURE is made by way of deed on 04/04/2017

by:

- (1) **JVC INVESTMENTS LIMITED** registered in England & Wales with company number 04552533 whose registered office is at Top Floor, Bridgewater House, 866 - 868 Uxbridge Road, Hayes, Middlesex UB4 0RR (the "Chargor")
- (2) **INTERBAY FUNDING LIMITED** registered in England & Wales with company number 05595882 whose registered office is at Reliance House, Sun Pier, Chatham ME4 4ET (the "Lender")

THIS DEED WITNESSES as follows:

1. DEFINITIONS AND INTERPRETATION

In this Debenture:-

- 1.1 Unless defined in this Debenture or the context otherwise requires a term defined in the Facility Letter or the Standard Terms and Conditions has the same meaning in this Debenture or any notice given under or in connection with this Debenture, as if all references in those defined terms to the Facility Letter, the Standard Terms of Conditions or other Finance Document were a reference to this Debenture or that notice

- 1.2 In this Debenture the following terms have the following meanings:

"Book Debts" means all present and future book and other debts and monetary claims due or owing to the Chargor and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Chargor in relation to any of them

"Charged Assets" means each of the Property, assets and undertaking of the Chargor which from time to time are the subject of any Security created or expressed to be created by it in favour of the Lender by or pursuant to this Debenture and any Legal Charge.

"Costs" means all costs, charges, expenses and liabilities of any kind including, without limitation, costs and damages in connection with litigation, professional fees, disbursements and any value added tax charged on Costs

"Environmental Law" means all applicable laws statutes regulations secondary legislation byelaws common law directives treaties and other measures judgements and decisions of any Court or tribunal Code of Practice and Guidance Notes insofar as they relate to or apply to the environment here meaning the natural and manmade environment including all or any of the following media namely air, water and land (including air within buildings and other natural or manmade structures above or below the ground) and any living organism (including man) or systems supported by those media

"Equipment" means all present and future equipment plant machinery tools vehicles furniture fittings installations and apparatus and other tangible moveable property for the time being owned by the Chargor, including any part of it and all spare parts, replacements, modifications and additions

"Facility Letter" means the facility letter dated on or before the date of this Debenture between the Chargor as borrower, InterBay Funding Limited as Lender (as amended, varied, novated or supplemented from time to time).

"Intellectual Property" means the Chargor's present and future patents trademarks service marks trade names designs copyrights inventions confidential information and know how and any interest in any of these rights whether or not registered including all applications and rights to apply for registration and all fees royalties and other rights derived from or incidental to these rights

"Investments" means all present and future stock shares loan capital security bonds and investments (whether or not marketable) for the time being owned at law or in equity by the Chargor, including all rights accruing or incidental to those investments from time to time

"Legal Charge" means any Legal Charge entered into by the Chargor in favour of any of the Security Providers and whether in existence at the date of this Debenture or afterwards

"Property" means any property specified in each Legal Charge and (including as provided in Clause 1.3), any present or future freehold or leasehold property in which the Chargor has an interest and which is owned by the Chargor in connection with the Property including but not limited to the property specified in the Schedule to this Debenture.

"Receiver" means a receiver, receiver and manager or, where permitted by law, an administrative receiver (as the Lender may specify at any time in any relevant appointment) and that term will include any appointee made under a joint or several appointment.

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

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

"Secured Obligations" means all present and future obligations and liabilities (whether actual or contingent, owed jointly, severally or in any other capacity whatsoever and whether originally incurred by the Chargor or any Security Provider or by some other person) of the Chargor and each Security Provider to the Finance Parties (or any of them) under each of the Finance Documents except for any obligation or liability which, if it were included, would cause that obligation or liability or any of the Security in respect thereof, to be unlawful or prohibited by any applicable law.

"Security Interest" means any mortgage charge (whether fixed or floating, legal or equitable) pledge lien assignment by way of security or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect

"Security Period" means the period beginning on the date of this Debenture and ending on the date on which the Lender is satisfied that the Secured Obligations have irrevocably been discharged in full and no Finance Party is under any further actual or contingent obligation to make advances or provide other financial accommodation to the Chargor or any other person under any of the Finance Documents.

"Standard Terms and Conditions" means the Standard Terms and Conditions of the Lender (Seventh Edition)

1.3 Interpretation

Unless the context otherwise requires, in this Debenture

Clause 14 of the Standard Terms and Conditions apply as if they were incorporated in this Debenture together with the following provisions :-

- (a) a reference to a Clause of or Schedule to this Debenture are references to paragraphs of the relevant Schedule unless the context otherwise requires
- (b) a reference to "continuing" in relation to an Event of Default means an Event of Default which has not been remedied or waived
- (c) a reference to this Debenture (or any provision of it) or any other document shall be construed as a reference to this Debenture , that provision or that document as it is in force for the time being and as amended in accordance with its terms or with the agreement of the relevant parties
- (d) a reference to the Chargor shall include its successors permitted transferees and permitted assigns
- (e) If the Lender considers that an amount paid in respect of Secured Obligations is capable of being avoided or otherwise set aside on the liquidation or administration of the Chargor or otherwise then that amount shall not be considered to have been irrevocably paid for the purposes of this Debenture
- (f) A reference in this Debenture to the Property includes all buildings and fixtures and fittings (including trade and tenants fixtures and fittings) and fixed plant and machinery which are situated on or form part of the Property at any time; the proceeds of sale of any part of the Property and any other monies paid or payable in respect of or in connection with the Property; the benefit of any covenants to the title given, or entered into, by any predecessor in title of the Chargor in respect of the Property and any monies paid or payable in respect of those covenants; and all rights under any licence agreement for sale or agreement for lease in respect of the Property and all Related Rights

- (g) For the purposes of Section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Facility Letter and the Standard Terms and Conditions are incorporated into this Deed
- (h) A third party (being any person other than the Chargor the Lender and the Finance Parties and the permitted successors and assigns of the Lender and any Finance Parties has no right under the Contract (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Debenture

1.4 Legal Charge

It is agreed that each Legal Charge is supplemental to this Debenture and that, to the extent the provisions of the Debenture duplicate those of any Legal Charge, the provisions of that Legal Charge shall prevail.

1.5 Disposition of Property

The terms of the Facility Letter and each other Finance Document and of any side letters between the parties in relation to the Finance Documents are incorporated into this Debenture, each Legal Charge and each other Finance Document to the extent required for any purported disposition of the Property contained in any Finance Document to be a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.6 Clawback

If the Lender considers that any amount paid or credited to any Finance Party is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of the Chargor under this Debenture or any Legal Charge and the Security constituted by those documents will continue and such amount will not be considered to have been irrevocably paid.

1.7 Insolvency Act 1986

Paragraph 14 of Schedule B1 of the Insolvency Act 1986 (as inserted by section 248 of, and section 16.2 the Enterprise Act 2002) applies to the floating charge created by this Debenture

2. COVENANT TO PAY

The Chargor covenants with the Lender to pay, discharge and satisfy the Secured Obligations in accordance with their respective terms and to indemnify the Finance Parties against any losses, costs, charges, expenses and liabilities arising from any breach or failure to pay, discharge and satisfy the Secured Obligations in accordance with their respective terms.

3. FIXED SECURITY

3.1 Mortgage

As a continuing security

The Chargor charges with full title guarantee in favour of the Lender for the payment and discharge of the Secured Obligations,

- (a) the freehold and leasehold property specified in each Legal Charge.
- (b) the Property and all related rights; and

- (c) all Property acquired by the Chargor in the future

3.2 Assignment by way of Security

The Chargor assigns and agrees to assign absolutely with full title guarantee to the Lender (to the extent not validly and effectively charged by way of first legal mortgage under any Legal Charge and to the fullest extent assignable or capable of assignment without infringing any contractual provision restricting the same) as security for the payment and discharge of the Secured Obligations, all of its right, title and interest from time to time in and to each of the following assets:

- (a) any agreements, contracts, deeds, leases, licences, undertakings, guarantees, covenants, warranties, representations and other documents entered into by, given to or otherwise benefiting the Chargor in respect of the Property;
- (b) any rental income and all sums payable and any other consideration given in money or money's worth for the disposal of an interest in all or part of the Property and the right to make demand for and receive the same; and
- (c) any insurance policies relating to the Property and all proceeds paid or payable thereunder.

3.3 Fixed charges

The Chargor charges with full title guarantee in favour of the Lender (to the extent not validly and effectively charged by way of first legal mortgage pursuant to Clause 3.1 (*Mortgage*) or assigned pursuant to Clause 3.2 (*Assignment by way of Security*)) with the payment and discharge of the Secured Obligations, by way of first fixed charge, all of its rights, title and interest from time to time in and to each of the following assets:

- (a) each of its present and future accounts with any bank, building society, financial institution or other person (including any replacement account or sub-division or sub-account of that account) and the debt or debts represented thereby;
- (b) the Book Debts and all Related Rights and monetary claims owing to it and any proceeds of those debts and claims and all Related Rights;
- (c) the Intellectual Property and all Related Rights,;
- (d) the Equipment and all Related Rights,;
- (e) goodwill;
- (f) rights and claims in relation to its uncalled share capital;
- (g) rights to recover any value added tax on any supplies made to it relating to the Charged Assets and any sums so recovered;
- (h) the Investments and all Related Rights
- (i) each of the assets which are specified in Clause 3.2 (*Assignment by way of Security*).

4. FLOATING CHARGE

4.1 Floating charge

- (a) The Chargor with full title guarantee charges in favour of the Lender with the payment and discharge of the Secured Obligations, by way of first floating charge all present and future assets and undertaking of the Chargor.
- (b) The floating charge created by paragraph (a) above shall be deferred in point of priority to all fixed Security validly and effectively created by the Chargor under the Finance Documents in favour of the Lender as security for the Secured Obligations.

4.2 Conversion of floating charge to fixed Security

- (a) The Lender may at any time, while this Debenture is enforceable in accordance with Clause 11 (*Enforcement of security*), by notice to the Chargor convert the floating charge constituted under Clause 4.1 (*Floating charge*) with immediate effect into a fixed charge as regards any asset which is the subject of the floating charge or which is specified in the notice.
- (b) In addition, without prejudice to any rule of law which may have a similar effect, the floating charge constituted under Clause 4.1 (*Floating charge*) will automatically be converted (without notice) with immediate effect into a fixed charge as regards all assets the subject of the floating charge upon any of the following occurring:-
 - (i) the Chargor creates or attempts to create without the prior written consent of the Lender the Security Interest or a trust in favour of another person on all or any part of the Charged Assets or disposes or attempts to dispose of all or any part of the Charged Assets (other than Charged Assets that are only subject to the floating charge while it remains uncrystallised);
 - (ii) a receiver is appointed over all or any part of the Charged Assets that is subject to the floating charge;
 - (iii) any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Charged Assets; or
 - (iv) the Lender receives notice of the appointment of or a proposal or an intention to appoint an administrator of the Chargor
- (c) Any asset acquired by the Chargor after any crystallisation of the floating charge created under this Debenture which, but for that crystallisation, will be subject to a floating charge under this Debenture, shall (unless the Lender confirms otherwise to the Chargor in writing) be charged to the Lender by way of first fixed charge

5. LIABILITY OF THE BORROWER

5.1 Liability not discharged

The Chargor's liability under this debenture in respect of any of the Secured Obligations shall not be discharged, prejudiced or affected by:-

- (a) any security, guarantee, indemnity, remedy or other right held by, or available to, the Lender that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- (b) the Lender renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or
- (c) any other act or omission which but for this clause 5.1 might have discharged, or otherwise prejudiced or affected, the liability of the Chargor.

5.2 Immediate recourse

The Chargor waives any right it may have to require the Lender to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this Debenture against the Chargor.

6. REPRESENTATIONS AND WARRANTIES

The Chargor makes the following representations and warranties to the Lender. The representations and warranties are made by the Chargor on the date of this Debenture and are deemed to be made by the Chargor on each day of the Security Period with reference to the facts and circumstances then existing:-

6.1 Ownership of Charged Assets

The Chargor is the legal and beneficial owner of the Charged Assets

6.2 No Security Interests

The Charged Assets are free from any Security Interest other than the Security Interests created by this Debenture.

6.3 Adverse Claims

The Chargor has not received or acknowledged notice of any adverse claim by any person in respect of the Charged Assets or any interest in it.

6.4 Adverse Covenants

There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever, that materially and adversely affect the Charged Assets.

6.5 No Breach of Laws

There is no breach of any law or regulation that materially and adversely affected the Charged Assets.

6.6 No Interference in Enjoyment

No facility necessary for the enjoyment and use of the Charged Assets is subject to terms entitling any person to terminate or curtail its use.

6.7 No Overriding Interests

Nothing has arisen, has been created or is subsisting, which would be an overriding interest in any Property.

6.8 Avoidance of Security

No Security Interest expressed to be created under this Debenture is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Chargor or otherwise.

6.9 No Prohibitions or Breaches

There is no prohibition on assignment in any insurance policy and the entry into this Debenture by the Chargor does not and will not, constitute a breach of any insurance policy or any other agreement or instrument binding on the Chargor or its assets.

6.10 Environmental Compliance

The Chargor has, at all times, complied in all material respects with all applicable Environmental Law

7. CHARGOR'S COVENANTS

The Chargor covenants with the Lender in the following terms:-

7.1 Negative Pledge and Disposal Restrictions

The Chargor shall not at any time, except with the prior written consent of the Lender:

- (a) create, purport to create or permit to subsist any Security Interest on, or in relation to, any Charged Assets other than any Security Interest created by this Debenture;
- (b) sell, assign, transfer, part with possession of, or otherwise dispose of in any manner (or purport to do so), all or any part of, or any interest in, the Charged Assets (except, in the ordinary course of business, Charged Assets which is only subject to an uncrystallised floating charge); or
- (c) create or grant (or purport to create or grant) any interest in the Charged Assets in favour of a third party.

7.2 Preservation of Charged Assets

The Chargor shall not do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Lender, or materially diminish the value of any of the Charged Assets or the effectiveness of the security created by this Debenture.

7.3 Notice of Breaches

The Chargor shall, promptly on becoming aware of any of the same, give the Lender notice in writing of:-

- (a) any representation or warranty set out in clause 6 which is incorrect or misleading in any material respect when made or deemed to be repeated; and
- (b) any breach of any covenant set out in this clause 7

7.4 Title Documents

The Chargor shall on the execution of this Debenture (or if later the date of acquisition of the relevant Charged Assets) deposit with the Lender and the Lender shall for the duration of this Debenture be entitled to hold:-

- (a) all insurance policies which the Chargor is entitled to possess;
- (b) all deeds and documents of title (if any) relating to the Book Debts as the Lender may specify from time to time

7.5 Notices to be given by the Chargor

The Chargor shall on the execution of this Debenture:-

- (a) give notice to each insurer of the assignment of the Chargor's rights and interest in and under each insurance policy and procure that each addressee of any such notice promptly provides an acknowledgement of the Lender's interest to the Lender

7.6 Chargor's Waiver of Set-Off

The Chargor waives any present or future right of set-off it may have in respect of the Secured Liabilities (including sums payable by the Chargor under this Debenture).

7.7 Preservation of Book Debts

The Chargor shall not (except as provided by clause 7.8 of this Debenture or with the prior written consent of the Lender) release, exchange, compound, set-off, grant time or indulgence in respect of, or in any other manner deal with, all or any of the Book Debts

7.8 Realising Book Debts

The Chargor shall:-

- (a) as an agent for the Lender, collect in and realise all Book Debts, pay the proceeds into an account designated for that purpose and nominated by the Lender immediately on receipt and, pending that payment, hold those proceeds in trust for the Lender;
- (b) not, without the prior written consent of the Lender, withdraw any amounts standing to the credit of such designated account; and
- (c) if called on to do so by the Lender, execute a legal assignment of the Book Debts to the Lender on such terms as the Lender may require and give notice of that assignment to the debtors from whom the Book Debts are due, owing or incurred.

7.9 Insurance

The Chargor:

- (a) shall (if the Lender so requires) produce to, or deposit with, the Lender each insurance policy and the receipts for all premiums and other payments necessary for effecting and keeping up each insurance policy; and
- (b) shall not do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any insurance policy

7.10 Insurance Policies' Proceeds

All monies payable under any insurance policy at any time (whether or not the security constituted by this Debenture has become enforceable) shall immediately be paid to the Lender

7.11 Maintenance and Insurance

The Chargor shall:-

- (a) keep all buildings and all fixtures on each Property in good and substantial repair and condition;
- (b) insure, and keep insured, those buildings and fixtures with such insurer and against such risks, in such amounts and otherwise on such terms as the Lender may require (or, failing such requirement, in accordance with the practice in

respect of items of the same type which are current amongst prudent businessmen from time to time); and

- (c) procure that the interest of the Lender is noted on all those insurance policies or, at the option of the Lender, that those insurance policies are issued in the joint names of the Lender and the Chargor.

7.12 Preservation of Property, Fixtures and Equipment

The Chargor shall not, without the prior written consent of the Lender:

- (a) pull down or remove the whole, or any part of, any building forming part of any Property;
- (b) make any material alterations to any Property, or sever or remove any of its fixtures;
- (c) remove or make any material alterations to any of the Equipment belonging to, or in use by, the Chargor on any Property (except to affect necessary repairs or replace them with new or improved models or substitutes); or
- (d) whenever any Equipment is destroyed, damaged or deteriorates, immediately repair, replace and make good the same

7.13 Conduct of Business on Properties

The Chargor shall carry on its trade and business on those parts (if any) of the Properties as are used for the purposes of trade or business in accordance with the standards of good management from time to time current in such trade or business.

7.14 Planning Information

The Chargor shall:-

- (a) give full particulars to the Lender of any notice, order, direction, designation, resolution or proposal given or made by any planning authority or other public body or authority (**Planning Notice**) that specifically applies to any Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Planning Notice; and
- (b) (if the Lender so requires) immediately, and at the cost of the Chargor, take all reasonable and necessary steps to comply with any Planning Notice, and make, or join with the Lender in making, such objections or representations in respect of any such Planning Notice as the Lender may desire

7.15 Compliance with Covenants and Payment of Rent

The Chargor shall:-

- (a) observe and perform all covenants, stipulations and conditions to which each Property, or the use of it, is or may be subjected, and (if the Lender so requires) produce evidence sufficient to satisfy the Lender that those covenants, stipulations and conditions have been observed and performed; and
- (b) (without prejudice to the generality of the foregoing) where a Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time, and perform and observe all the tenant's covenants and conditions.

7.16 Development Restrictions

The Chargor shall not, without the prior written consent of the Lender, carry out, or permit, or suffer to be carried out on any Property any development as defined in the Town and Country Planning Act 1990 or change or permit or suffer to be changed the use of any Property.

7.17 Environment

The Chargor shall:-

- (a) comply with all the requirements of Environmental Law both in the conduct of its general business and in the management, possession or occupation of each Property; and
- (b) obtain and comply with all authorisations, permits and other types of licences necessary under Environmental Law

7.18 No Restrictive Obligations

The Chargor shall not, without the prior written consent of the Lender, enter into any onerous or restrictive obligations affecting the whole or any part of any Property, or create or permit to arise any overriding interest, easement or right whatever in or over the whole or any part of any Property.

7.19 Inspection

The Chargor shall permit the Lender, any Receiver and any person appointed by either of them to enter on and inspect any Property on reasonable prior notice

7.20 Registration of Investments

The Chargor shall at the direction of the Lender immediately execute and deliver to the Lender all transfers and other documents and do all such things as may be necessary or desirable to register all or any of the Investments in the name of the Lender or its nominee.

7.21 Dividends and Voting Rights Post Enforcement

After the security constituted by this Debenture has become enforceable:

- (a) all dividends and other distributions paid in respect of the Investments and received by the Chargor shall be held by the Chargor on trust for the Lender and immediately paid into a designated account or, if received by the Lender, shall be retained by the Lender; and
- (b) all voting and other rights and powers attaching to the Investments shall be exercised by, or at the direction of, the Lender and the Borrower shall, and shall procure that its nominees shall, comply with any directions the Lender may give, in its absolute discretion, concerning the exercise of those rights and powers

7.22 Preservation of Investments

The Chargor shall ensure (as far as it is able to by the exercise of all voting rights, power of control and other means available to it) that any issuer that is not a public company shall not:

- (a) consolidate or subdivide any of its Investments, or reduce or reorganise its share capital in any way;
- (b) issue any new shares or stock; or

- (c) refuse to register any transfer of any of its Investments that may be lodged for registration by, or on behalf of, the Lender or the Chargor in accordance with this Debenture

7.23 Maintenance of Equipment

The Chargor shall:-

- (a) maintain the Equipment in good and serviceable condition (except for expected fair wear and tear); and
- (b) not permit any Equipment to be:
 - (i) used or handled other than by properly qualified and trained persons; or
 - (ii) overloaded or used for any purpose for which it is not designed or reasonably suitable

7.24 Equipment Information

The Chargor shall:-

- (a) give the Lender any information concerning the location, condition, use and operation of Equipment as the Lender may require; and
- (b) permit any persons designated by the Lender to inspect and examine Equipment and the records relating to Equipment at all reasonable times

7.25 Equipment Insurance

The Chargor shall:-

- (a) at its own expense, procure that the Equipment is covered and kept covered by insurance of a kind satisfactory to the Lender with insurers approved by the Lender (such approval not to be unreasonably withheld) for full comprehensive insurance cover, which shall include (but not be limited to) fire, theft and accident, for an amount that is not less than the aggregate cost of reinstating or replacing the Equipment;
- (b) if the Lender so requires, procure that the interest of the Lender is noted on all such insurance policies or, at the option of the Lender, that such insurance policies are issued in the joint names of the Lender and the Chargor; and
- (c) maintain insurance for third party liabilities in such amount, and on such terms, as is usual for users of equipment of the same type as the Equipment

7.26 Preservation of Intellectual Property Rights

The Chargor shall take all necessary action to safeguard and maintain present and future rights in, or relating to, the Intellectual Property including (without limitation) observing all covenants and stipulations relating to such rights, and paying all applicable renewal fees, licence fees and other outgoings.

8. POWERS OF THE LENDER

The Lender shall have the following powers:-

8.1 Power to Remedy

The Lender shall be entitled (but shall not be bound) to remedy, at any time, a breach by the Chargor of any of its obligations contained in this Debenture, and the Chargor

irrevocably authorises the Lender and its agents to do everything necessary or desirable for that purpose.

8.2 Exercise of Rights

The rights of the Lender under clause 8.1 are without prejudice to any other rights of the Lender under this Debenture. The exercise of those rights shall not make the Lender liable to account as a mortgagee in possession.

8.3 Power to Dispose of Chattels

(a) At any time after the security constituted by this Debenture has become enforceable, the Lender or any Receiver may, as agent for the Chargor, dispose of any chattels or produce found on any Property.

(b) Without prejudice to any obligation to account for the proceeds of any disposal made under clause 8.3(a), the Chargor shall indemnify the Lender and any Receiver against any liability arising from such disposal.

8.4 Indulgence

The Lender may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person or persons not being a party to this Debenture (whether or not any such person is jointly liable with the Chargor) in respect of any of the Secured Obligations, or of any other security for them without prejudice either to this Debenture or to the liability of the Chargor for the Secured Obligations

8.5 Investments: Dividends

Until the security constituted by this Debenture becomes enforceable the Lender shall, on request by the Chargor, release and pay to the Chargor any cash dividends paid in respect of any of the Investments and received by the Lender or its nominee.

9. PROVISIONS AS TO SECURITY

9.1 Restriction on dealings

Except where agreed in writing by the Lender the Chargor will not at any time during the Security Period create or permit to subsist any Security over all or any part of the Charged Assets or dispose of or otherwise deal with any part of the Charged Assets.

9.2 Implied covenants for title

(a) The covenants set out in Sections 3(1), 3(2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to Clauses 3 (*Fixed Security*) or 4 (*Floating charge*).

(b) It shall be implied in respect of Clauses 3 (*Fixed Security*) and 4 (*Floating charge*) that the Chargor is disposing of the Charged Assets free from all charges and incumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment).

9.3 Notices of assignment

(a) Immediately:

(i) upon the date of this Debenture, in relation to all leases relating to the Property, all bank accounts specified by the Lender, and all insurance policies relating to the Property in existence on the date of this Debenture;
or

- (ii) if later, upon the Chargor opening a bank account, entering into a lease with any person or an insurance policy with any insurer relating to the Property,

the Chargor will join the Lender in giving notice to all banks, landlords, tenants and other persons at which such account is held, or which are parties to such leases or are party to any insurance policy, of the fixed Security constituted under this Debenture and each Legal Charge in respect of any such account, lease or insurance policy, such notices being duly executed by or on behalf of the Chargor and in the form required by the Lender.

- (b) The Chargor will use all reasonable endeavours to procure from each of the banks, landlords, tenants, insurers and other persons referred to in paragraph (a) above a duly executed acknowledgement in the form required by the Lender.

9.4 Deposit of title deeds

The Chargor shall:

- (a) immediately upon the execution of this Debenture or any Legal Charge (and upon the acquisition by it of any interest in any Charged Assets at any time) deposit with or procure delivery to the Lender all deeds, certificates and other documents constituting or evidencing title to the Charged Assets unless held by, or required to be delivered to, any holder of a Security ranking in priority to that of the Lender; and
- (b) deposit with the Lender at any time thereafter any further such deeds, certificates and other documents, promptly upon coming into possession of any of those items.

9.5 Application to the Land Registry

The Chargor hereby consents to an application being made to the Land Registry to enter a restriction in the Proprietorship Register of any registered land at any time forming part of the Property in the following form:-

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of the restriction is to be registered without a written consent signed by the proprietor for the time being of the charge dated [Date] in favour of InterBay Funding Limited referred to in the charges register"

9.6 Further Loans

- (a) Subject to the terms of the Facility, the Lender is under an obligation to make further Term Loans to the Chargor and that obligation will be deemed to be incorporated in this Debenture as if set out in this Debenture.
- (b) The Chargor consents to an application being made to the Land Registry to enter the obligation to make further Term Loans on the Charges Register of any registered land forming part of the Charged Assets.

10. FURTHER ASSURANCE

10.1 Further assurance

- (a) The covenant set out in Section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in paragraph (b) below.
- (b) The Chargor shall promptly, at its own cost, enter into, execute and complete a Legal Charge over any Property in England and Wales not already the subject of a registrable Legal Charge and do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notarisations, registrations, notices and instructions) as the Lender may reasonably specify (and in such form as the Lender may reasonably require) in favour of the Lender or its nominee(s):
 - (i) to perfect the security created or intended to be created in respect of the Charged Assets (which may include the execution by the Chargor of a mortgage, charge or assignment over all or any of the assets constituting, or intended to constitute, Charged Assets) or for the exercise of any the rights, powers and remedies of the Lender provided by or pursuant to this Debenture and each Legal Charge or by law;
 - (ii) to confer on the Lender security over any asset or undertaking of the Chargor located in any jurisdiction outside England and Wales equivalent or similar to the security intended to be conferred by or pursuant to this Debenture and each Legal Charge; and/or
 - (iii) while an Event of Default is continuing, to facilitate the realisation of the Charged Assets.

10.2 Necessary Action

The Chargor shall take all such action as is available to it (including making all filings and registrations and applying for relief against forfeiture) as may be necessary or as may reasonably be requested by the Lender for the purpose of the creation, perfection, protection or maintenance of any security conferred or intended to be conferred on the Lender by or pursuant to this Debenture and each Legal Charge.

11. ENFORCEMENT OF SECURITY

11.1 Enforcement

Any time after the occurrence of:

- (a) an Event of Default (as long as it is continuing); or
- (b) if the Chargor requests the Lender to exercise any of its powers under this Debenture or any Legal Charge,

the Security created by or pursuant to this Debenture and each Legal Charge is immediately enforceable and the Lender may, without notice to the Chargor or prior authorisation from any court, in its absolute discretion:

- (i) enforce all or any part of that Security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Charged Assets; and

- (ii) whether or not it has appointed a Receiver, exercise all or any of the powers, authorisations and discretions conferred by the Law of Property Act 1925 (as varied or extended by this Debenture) on mortgagees and by this Debenture and each Legal Charge on any Receiver or otherwise conferred by law on mortgagees or Receivers.

11.2 Effect of Moratorium

The Lender shall not be entitled to exercise its rights under Clause 11.1 (*Enforcement*) or Clause 4.2 (*Conversion of floating charge to fixed security*) where the right arises as a result of an Event of Default occurring solely due to any person obtaining or taking steps to obtain a moratorium pursuant to Schedule A1 of the Insolvency Act 1986.

12. EXTENSION OF POWERS AND RIGHT OF APPROPRIATION

12.1 Extension of powers

The power of sale or other disposal conferred on the Lender and on any Receiver by this Debenture and each Legal Charge shall operate as a variation and extension of the statutory power of sale under Section 101 of the Law of Property Act 1925 and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of this Debenture or any Legal Charge.

12.2 Restrictions

The restrictions contained in Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Debenture or any Legal Charge or to the exercise by the Lender of its right to consolidate all or any of the security created by or pursuant to this Debenture or any Legal Charge with any other security in existence at any time or to its power of sale, which powers may be exercised by the Lender without notice to the Chargor on or at any time after this Debenture or any Legal Charge has become enforceable in accordance with Clause 11 (*Enforcement of security*).

12.3 Power of leasing

- (a) The statutory powers of leasing may be exercised by the Lender at any time on or after this Debenture or any Legal Charge has become enforceable in accordance with Clause 11 (*Enforcement of security*) and the Lender and any Receiver may make any lease or agreement for lease, accept surrenders of leases and grant options on such terms as it shall think fit, without the need to comply with any restrictions imposed by Sections 99 and 100 of the Law of Property Act 1925.
- (b) For the purposes of Sections 99 and 100 of the Law of Property Act 1925, the expression "Mortgagor" will include any encumbrancer deriving title under the Chargor and neither Sub-section (18) of Section 99 nor Sub-section (12) of Section 100 of the Law of Property Act 1925 will apply.
- (c) The Chargor shall not have, at any time during the Security Period, the power pursuant to Section 99 of the Law of Property Act 1925, to make any lease in respect of any Property without the prior written consent of the Lender or as permitted pursuant to the terms of the Facility Letter.

12.4 Right of appropriation

To the extent that the provisions of the Financial Collateral Arrangements (No. 2) Regulations 2003 apply to a Charged Asset or this Debenture or any Legal Charge constitutes a Financial Collateral Arrangement as defined in such Regulations, the Lender shall have the right to appropriate all or any part of that Charged Asset in or

towards the payment or discharge of the Secured Obligations. For this purpose, a commercially reasonable method of valuing a Charged Asset as the Chargor hereby agrees and accepts shall be:

- (a) in the case of cash on account, the amount standing to the credit of that account, together with any accrued interest, at the time of appropriation; and
- (b) in the case of any investments, shares or securities, their market value determined by the Lender by reference to a public index, independent valuation or by such other process as the Lender may select.

13. COSTS

13.1 Costs

The Chargor shall pay to or reimburse the Lender and any Receiver on demand on a full indemnity basis all Costs incurred by the Lender or any Receiver in connection with:-

- (a) this Debenture or the Charged Assets;
- (b) protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lender's or Receiver's rights under this Debenture;
- (c) suing for or recovering any of the Secured Obligations,

including without limitation the Costs of any proceedings in connection with this Debenture or the Secured Obligations together with interest on any amount due under this clause 13 at the Default Rate specified in the Facility Letter

13.2 Indemnity

The Lender and any Receiver and their respective employees and agents shall be indemnified on a full indemnity basis out of the Charged Assets in respect of all actions, liabilities and Costs incurred or suffered in or as a result of:

- (a) the exercise or purported exercise of any of the powers, authorities or discretions vested in them under this Debenture;
- (b) any matter or thing done or omitted to be done in relation to the Charged Assets under those powers; or
- (c) any default or delay by the Chargor in performing any of its obligations under this Debenture

14. ASSIGNMENT

14.1 At any time without the consent of the Chargor, the Lender may assign or transfer the whole or any part of its rights and obligations under this Debenture to any other person

14.2 The Chargor may not assign any of its rights or transfer any of its obligations under this Debenture or enter into any transaction that would result in any of those rights or obligations passing to another person

15. APPOINTMENT OF RECEIVER OR ADMINISTRATOR

15.1 Appointment and removal

After this Debenture and each Legal Charge becomes enforceable in accordance with Clause 11 (*Enforcement of security*), the Lender may by deed or otherwise (acting through an authorised officer of the Lender), without prior notice:

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

15.2 Capacity of Receivers

Each person appointed to be a Receiver pursuant to Clause 15 (*Appointment and removal*) shall be:

- (a) entitled to act individually or together with any other person appointed or substituted as Receiver;
- (b) for all purposes deemed to be the agent of the Chargor which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for the Lender; and
- (c) entitled to remuneration for his services at a rate to be fixed by the Lender from time to time (without being limited to the maximum rate specified by the Law of Property Act 1925).

15.3 Statutory powers of appointment

The powers of appointment of a Receiver shall be in addition to all statutory and other powers of appointment of the Lender under the Law of Property Act 1925 (as extended by this Debenture and each Legal Charge) or otherwise and such powers shall remain exercisable from time to time by the Lender in respect of any part of the Charged Assets.

16. POWERS OF RECEIVERS

Every Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of the Chargor) have and be entitled to exercise, in relation to the Charged Assets, and as varied and extended by the provisions of this Debenture and each Legal Charge (in the name of or on behalf of the Chargor or in his own name and, in each case, at the cost of the Chargor):

- (a) all the powers conferred by the Law of Property Act 1925 on mortgagors and on mortgagees in possession and on receivers appointed under that Act;
- (b) all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- (c) all the powers and rights of an absolute owner and power to do or omit to do anything which the Chargor itself could do or omit to do; and
- (d) the power to do all things (including bringing or defending proceedings in the name or on behalf of the Chargor) which seem to the Receiver to be incidental or conducive to:
 - (i) any of the functions, powers, authorities or discretions conferred on or vested in him;

- (ii) the exercise of any rights, powers and remedies of the Lender provided by or pursuant to this Debenture and each Legal Charge or by law (including realisation of all or any part of the assets in respect of which that Receiver was appointed); or
 - (iii) bringing to his hands any assets of the Chargor forming part of, or which when got in would be, Charged Assets.
- (e) the following further powers:-
- (i) to undertake or complete any work of repair, building or development on any of the Properties;
 - (ii) to grant, accept surrenders of or any leases or tenancies affecting any of the Properties on such terms and subject to such conditions as he thinks fit;
 - (iii) to provide services and employ or engage such managers, contractors and other personnel and professional advisers on such terms as he thinks fit;
 - (iv) to make, exercise or revoke any value added tax, option to tax as he thinks fit;
 - (v) to charge and receive such sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) as the Lender may prescribe or agree with him;
 - (vi) to carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Chargor;
 - (vii) grant options and licences over all or any part of the Charged Assets, sell, assign, lease and accept surrenders of leases or concur in the same of all or any of the Charged Assets including without limitation by way of public auction or private sale and generally on such terms and conditions as he thinks fit;
 - (viii) sever and sell separately any fixtures or fittings from any Property without the consent of the Chargor;
 - (ix) sell and assign all or any of the Book Debts in respect of which he is appointed in such manner and generally on such terms as he thinks fit;
 - (x) to make any arrangement, settlement or compromise between the Chargor and any other person that he may think expedient;
 - (xi) make substitutions of or improvements to the Equipment as he may think expedient;
 - (xii) appoint managers, officers, servants, workmen and agents for the purposes of this clause 16 at such salaries for such periods and on such terms as he may determine; or

- (xiii) for any purposes authorised under this clause 16 to raise money by borrowing from the Lender (or from any other person) either unsecured or on the security of all or any of the Charged Assets on such terms as he shall think fit (including if the Lender if consents, terms under which security ranks in priority to this Debenture);

17. APPLICATION OF MONEYS

All moneys received or recovered by the Lender or any Receiver pursuant to this Debenture or any Legal Charge or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Law of Property Act 1925) be applied first in the payment of the Costs incurred and payments made by the Receiver, the payment of his remuneration and the discharge of any liabilities incurred by the Receiver in, or incidental to, the exercise of any of his powers, and thereafter shall be applied by the Lender(notwithstanding any purported appropriation by the Chargor) in accordance with the Facility Letter.

18. PROTECTION OF PURCHASERS

18.1 Consideration

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

18.2 Protection of purchasers

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

19. POWER OF ATTORNEY

19.1 Appointment and powers

The Chargor by way of security irrevocably appoints the Lender and any Receiver severally to be its attorney and in its name, on its behalf and as its act and deed to:

- (a) execute, deliver and perfect a Legal Charge over any Property not already the subject of a registrable Legal Charge; and
- (b) execute, deliver and perfect all other documents and do all things which the attorney may consider to be required or desirable for:
 - (i) carrying out any obligation imposed on the Chargor by this Debenture, any Legal Charge or any other agreement binding on the Chargor to which the Lender is party (including the execution and delivery of any deeds, charges, assignments or other security and any transfers of the Charged Assets and perfecting the security created or intended to be created in respect of the Charged Assets); and
 - (ii) enabling the Lender and any Receiver to exercise, or delegate the exercise of, any of the rights, powers and authorities conferred on them by or pursuant to this Debenture, each Legal Charge or by law (including, after this Debenture or any Legal Charge has become enforceable in

accordance with Clause 11 (*Enforcement of security*), the exercise of any right of a legal or beneficial owner of the Charged Assets).

19.2 Ratification

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

20. EFFECTIVENESS OF SECURITY

20.1 Continuing security

- (a) The security created by or pursuant to this Debenture and each Legal Charge shall remain in full force and effect as a continuing security for the Secured Obligations unless and until discharged by the Lender.
- (b) No part of the Security from time to time intended to be constituted by this Debenture and each Legal Charge will be considered satisfied or discharged by an intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations.

20.2 Cumulative rights

The security created by or pursuant to this Debenture and each Legal Charge shall be cumulative, in addition to and independent of every other Security which the Lender or any Finance Party may at any time hold for the Secured Obligations or any other obligations or any rights, powers and remedies provided by law. No prior Security held by the Lender or any of the other Finance Parties over the whole or any part of the Charged Assets shall merge into the Security constituted by this Debenture and each Legal Charge.

20.3 No prejudice

The security created by or pursuant to this Debenture and each Legal Charge shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to the Chargor or any other person, or the Lender or any of the other Finance Parties or by any variation of the terms of the trust upon which the Lender holds the security or by any other thing which might otherwise prejudice that Security.

20.4 Remedies and waivers

No failure on the part of the Lender to exercise, or any delay on its part in exercising, any rights, powers and remedies of the Lender provided by or pursuant to this Debenture and each Legal Charge, shall operate as a waiver of those rights, powers and remedies, nor shall any single or partial exercise of any such rights, powers and remedies preclude any further or other exercise of that or any other rights, powers and remedies.

20.5 No liability

None of the Lender, its nominee(s) nor any Receiver shall be liable

- (a) to account as a mortgagee or mortgagee in possession; or
- (b) for any loss arising by reason of taking any action permitted by this Debenture or any Legal Charge or any neglect or default in connection with the Charged Assets or taking possession of or realising all or any part of the Charged Assets,

except in the case of gross negligence or wilful default upon its part.

20.6 Partial invalidity

If, at any time, any provision of this Debenture or any Legal Charge is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Debenture and each Legal Charge nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the security intended to be created by or pursuant to this Debenture and each Legal Charge is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the security.

20.7 Immediate recourse

The Chargor waives any right it may have of first requiring a Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or Security or claim payment from any other person before claiming from the Chargor under this Debenture and each Legal Charge. This waiver applies irrespective of any law or any provision of this Debenture or any Legal Charge to the contrary.

20.8 Collateral Security

Where any Security constituted under this Debenture or any Legal Charge initially takes effect as a collateral or further Security to another Security intended to be constituted under this Debenture and each Legal Charge or which otherwise secures all or any part of the Secured Obligations to which the Chargor is a party then, despite any receipt, release or discharge endorsed on or given in respect of or under the second mentioned Security, the first mentioned Security will operate as an independent Security.

20.9 Discharge Conditional

Any release, discharge or settlement between the Chargor and the Lender shall be deemed conditional on no payment or security received by the Lender in respect of the Secured Obligations being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:-

- (a) the Lender or its nominee may retain this Debenture and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Charged Assets, for such period as the Lender deems necessary to provide the Lender with security against any such avoidance, reduction or order for refund; and
- (b) the Lender may recover the value or amount of such security or payment from the Chargor subsequently as if such release, discharge or settlement had not occurred

20.10 Variations and Waivers

Any waiver or variation of any right or remedy by the Lender (whether arising under this Debenture or under the general law), or any consent given under this Debenture, is only effective if it is in writing and signed by the waiving, varying or consenting party, and applies only in the circumstances for which it was given, and shall not prevent the party giving it from subsequently relying on the relevant provision.

21. PRIOR SECURITY INTERESTS

- (a) In the event of any action, proceeding or step being taken to exercise any powers or remedies conferred by any prior ranking Security against any of the Charged Assets or in case of exercise by the Lender or any Receiver of any

power of sale under this Debenture and each Legal Charge, the Lender may redeem such prior Security or procure the transfer thereof to itself.

- (b) The Lender may settle and agree the accounts of the prior Security and any accounts so settled and passed will be conclusive and binding on the Chargor.
- (c) All principal monies, interest, costs, charges and expenses of and incidental to any redemption or transfer will be paid by the Chargor to the Lender on demand together with accrued interest thereon as well as before judgement at the rate from time to time applicable to unpaid sums specified in the Facility Letter from the time or respective times of the same having been paid or incurred until payment thereof (as well as after as before judgement).

22. SUBSEQUENT SECURITY INTERESTS

If the Lender or any of the other Finance Parties at any time receives or is deemed to have received notice of any subsequent Security, assignment or transfer affecting the Charged Assets or any part of the Charged Assets which is prohibited by the terms of any Finance Document, all payments thereafter by or on behalf of the Chargor to the Lender will (in the absence of any express contrary appropriation by the Chargor) be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Obligations at the time that notice was received.

23. SUSPENSE ACCOUNTS

All monies received, recovered or realised by the Lender under this Debenture and each Legal Charge (including the proceeds of any conversion of currency) may in the discretion of the Lender be credited to any interest bearing suspense or impersonal account(s) maintained with a financial institution (including itself) for so long as it may think fit (the interest being credited to the relevant account) pending their application from time to time at the Lender's discretion, in or towards the discharge of any of the Secured Obligations.

24. NEW ACCOUNTS

- 24.1 If the Lender receives notice of any subsequent Security Interest, or other interest, affecting all or part of the Charged Assets, the Lender may open a new account for the Chargor in the Lender's books. Without prejudice to the Lender's right to combine accounts, no money paid to the credit of the Chargor in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Obligations
- 24.2 If the Lender does not open a new account immediately on receipt of notice under clause 24.1 then (unless the Lender gives express written notice to the contrary to the Chargor) all payments made by the Chargor to the Lender shall be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Obligations, as from the time of receipt of the relevant notice by the Lender.

25. LENDER'S SET-OFF RIGHTS

If the Lender has more than one account for the Chargor in its books, the Lender may at any time after:

- (a) the security constituted by this Debenture has become enforceable; or

- (b) the Lender has received notice of any subsequent Security Interest or other interest affecting all or any part of the Charged Assets

transfer, without prior notice, all or any part of the balance standing to the credit of any account to any other account that may be in debit (but the Lender shall notify the Chargor of the transfer once made).

26. NOTICES

26.1 Services

Each notice or other communication required to be given under, or in connection with, this Debenture shall be:-

- (a) in writing, delivered personally or sent by pre-paid first-class letter; and
 - (b) sent or delivered: to the Chargor at its registered office address from time to time and to the Lender at its registered office address
- or to such other address as is notified in writing by one party to the other from time to time.

26.2 Receipt by Chargor

Any notice or other communication that the Lender gives shall be deemed to have been received:-

- (a) if given by hand, at the time of actual delivery; and
- (b) if posted, on the second Business Day after the day it was sent by pre-paid first-class post.

A notice or other communication given as described in clause 26.2(a) or clause 26.2(b) on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day

26.3 Receipt by Lender

Any notice or other communication given to the Lender shall be deemed to have been received only on actual receipt.

27. RELEASE OF SECURITY

Upon the expiry of the Security Period, the Lender shall, at the request and cost of the Chargor, release and cancel the security constituted by this Debenture and each Legal Charge and procure the reassignment to the Chargor of the property and assets assigned to the Lender pursuant to this Debenture and each Legal Charge, in each case without recourse to, or any representation or warranty by, the Lender or any of its nominees.

28. GOVERNING LAW

This Debenture and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

THIS DEBENTURE has been executed as, and is intended to take effect as, a deed by and has been signed by the Lender on the date written on the first page of this Debenture.

THE SCHEDULE

ALL THAT leasehold interest in the property known as 286A Kingshill Avenue, Hayes UB4 8BY and comprised in the Lease dated 11 April 1986 and made between Lynn Barbara Glyn (1) and Daniel Shaw (2) as the same is registered at the Land Registry with Title Absolute under Title Number NGL555615

Executed as a Deed by THE CHARGOR)
acting by a Director and its secretary or two)
Directors or a Director in the presence of a witness:)

Director *IK Mandeep Singh*

Director/Secretary *Raj*

Signature, name and address of witness

M
.....
MANDEEP SINGH.....

101 EAST AVENUE, HAYES, UB3 2HT

For and on behalf of InterBay Funding Limited

.....

Authorised signature

Standard Terms and Conditions

Standard Terms and Conditions (2015 Seventh Edition)

1. Representations

You make the representations and warranties set out below in favour of each Finance Party and acknowledge that each Finance Party has entered into the Finance Documents in full reliance on the same.

(a) Status

If you are a body corporate, you:

- (i) are duly incorporated under the laws of England and Wales in the form stated in the Facility Letter;
- (ii) possess the capacity to sue and be sued in your own name; and
- (iii) have the power to own your assets and to carry on your business as it is being conducted.

If you are not a body corporate, you are acting for the purposes of your trade, business or profession.

(b) Powers

Whether you are a body corporate or not, you have:

- (i) the power to enter into the Finance Documents and perform your obligations thereunder; and
- (ii) taken all necessary action to authorise your entry into the Finance Documents and to perform your obligations thereunder.

(c) Legal validity

Whether you are a body corporate or not, the Finance Documents will, to the extent permissible under applicable law, constitute when executed in accordance with their terms, your legal, valid and binding obligations and the Security under the Finance Documents validly creates first ranking Security of the type described, and over the assets to which it is expressed to apply.

(d) No conflict

Your entry into and performance of your obligations under, and the transactions contemplated by, the Finance Documents do not:

- (i) breach, or exceed any borrowing or other power or restriction granted or imposed by any law to which you or your assets are subject or, if you are a body corporate, by your constitutional documents; or
- (ii) conflict with any document or agreement which is binding upon you or any of your assets; or
- (iii) conflict with any law or regulation applicable to you.

(e) Ranking

Your payment obligations under the Finance Documents rank at least *pari passu* with the claims of all your other unsecured creditors, except for obligations mandatorily preferred by law.

(f) Title to assets

You confirm and warrant that you are the sole legal and beneficial owner of the Property and all other assets to be secured by any of the Finance Documents and further that no breach of any law or regulations outstanding which adversely affect or might adversely affect the value of any of the Property or any such assets and there is no covenant, agreement, stipulation, right or other matter adversely affecting any Property. Nothing has arisen or has been created or is outstanding which would be an overriding interest or an unregistered interest which overrides first registration over any Property. No facility necessary for the enjoyment and use of the Property is enjoyed by such Property on terms entitling any person to terminate or curtail its use. You have not received any notice of any adverse claim by any person in respect of the ownership of the Property or any interest in it and the Property is held free from any lease or licence other than those that you have disclosed to us prior to the date of the Facility Letter.

(g) Authorisations

You hold and are in compliance with all Authorisations required for your entry into and performance of the Finance Documents, conducting your business, and for ownership of the Property, including, without limitation, as to environmental matters.

(h) Litigation

- (i) If you are a body corporate, no litigation or other proceeding is taking place or threatened against you or any part of your undertaking or assets.
- (ii) If you are a natural person, no litigation or other proceeding is taking place or is threatened against, or in relation to, the Property.

(i) Information

All information you have supplied in connection with the Finance Documents and any valuation or other report addressed to any Finance Party is complete and accurate in all material respects and is not misleading and you have not knowingly withheld any information which if disclosed may reasonably be expected adversely to affect our decision to make available the Term Loan.

(j) Not a dwelling

No more than 40 per cent. of the total area of the Property is used, or is intended to be used, as or in connection with a dwelling by you or any Security Provider or, if you are or any Security Provider is a trustee, any individual who is a beneficiary of the trust or a 'related person'. For the purpose of this representation 'related person', means: (i) your or any Security Provider's or beneficiary's spouse; (ii) a person (whether or not of the opposite sex) whose relationship with you or any Security Provider or beneficiary has the characteristics of the relationship between husband and wife; or (iii) your or any Security provider's or beneficiary's parent, brother, sister, child, grandparent or grandchild.

(k) AST

In respect of any residential lettings, there is in place an assured shorthold tenancy within the meaning of, and as contemplated by, the Housing Act 1996.

(l) COMI

If you are a body corporate;

- (i) your and any Security Provider's centre of main interests for the purposes of Council Regulation (EC) No 1346/2000 is your or its jurisdiction of incorporation; and
- (ii) neither you nor any Security Provider has an establishment for the purposes of Council Regulation (EC) No 1346/2000 in any jurisdiction other than your or its jurisdiction of incorporation.

(m) Residence

If you are a natural person, you are resident in the United Kingdom or have provided us satisfactory documentation regarding your residency.

(n) Repetition

The representations and warranties in this Clause are made by you on the date of the Facility Letter, and repeated on the date you borrow the Term Loan, and on each date on which you make any payment to any Finance Party.

2. Undertakings

You will (and will ensure that each Security Provider will):

- (a)** notify us immediately upon becoming aware of any Event of Default;
- (b)** not grant or permit to subsist any guarantee or Security in favour of any person other than under the Finance Documents, except as arising by operation of law in the ordinary course of business, without our prior written consent;
- (c)** not grant any Security (other than under the Finance Documents) over the Property in favour of any person other than us;
- (d)** not permit any indebtedness for or in respect of monies borrowed, any amount raised by way of bond or stock issue, any liability under any hire purchase or finance lease, any receivables sold or discounted, any derivative transaction, any counter-indemnity or any other transaction having the commercial effect of a borrowing to be outstanding to you or any Security Provider or by you or any Security Provider except trade credits arising in the ordinary course of business, without our prior written consent;
- (e)** not sell, lease or dispose of any of your business or assets other than in the ordinary course of business or make any material change to the nature of your business or enter into any merger without our prior written consent;
- (f)** comply with all laws and regulations (including those relating to the environment) to which you or any Security Provider may be subject and will obtain and maintain all Authorisations required for the performance of your obligations or any Security Provider's obligations under the Finance Documents, the operation of your and its business and the ownership of the Property;
- (g)** comply in all material respects with any conditions attached to any planning permissions and any applicable construction regulations relating to or affecting the Property and not make any material change in use of the Property;
- (h)** observe and perform all restrictive and other covenants, stipulations, undertakings and obligations now or at any time affecting the Property and any lease under which you or any Security Provider derive your or its interest in it insofar as the same are subsisting and are capable of being enforced, and duly enforce any of the same benefiting the Property;
- (i)** not grant any lease, underlease, licence, tenancy or other arrangement or right to occupy in respect of all or any part of the Property or amend, waive, release, or consent to any assignment of any such arrangement without our prior written consent;
- (j)** effect and maintain or ensure that there is effected and maintained at all times insurance in respect of the Property, trade and other fixtures and fixed plant and machinery forming part of the Property (in which you have or any Security Provider has an interest) against the risks and on the terms specified by us and against the loss of rents or prospective rents for a period of not less than three years and with the Lender named as co-insured;
- (k)** maintain insurance on the Property against third party and public liability risks;
- (l)** maintain life insurance on terms specified by us if required by us;
- (m)** notify us immediately if any part of the Property is compulsorily purchased or any applicable governmental agency or authority makes an order for the compulsory purchase of the Property;

- (n) not effect, carry out or permit any reconstruction, demolition or structural alteration to the Property without our prior written consent;
- (o) repair and keep in good and substantial repair and condition the Property and any other machinery and equipment forming part of the Property; and
- (p) punctually pay or cause to be paid all and indemnify each Finance Party against existing and future rents, taxes, duties, fees, charges, assessments and outgoings of whatever nature in respect of you, any Security Provider and the Property and not exercise any option to waive exemption in relation to the Property or any supplies for VAT purposes (and if you are a member of a VAT group, will procure that this undertaking is complied with by the representative member).
- (q) whilst any part of the Term Loan or any other of the Secured Obligations remain unpaid you shall provide to us upon our written request:
 - (a) monthly management accounts within one month after the end of the month to which they relate;
 - (b) budget and cashflow projections on a quarterly basis at least one month before the start of the period to which they relate;
 - (c) audited annual financial statements no later than 3 months after the end of the financial year to which they relate; and
 - (d) any further information about your or any Security Providers' financial condition, business and operations as we may request.
- (v) any of you or any Group Company or Security Provider is made bankrupt or unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of your or its creditors with a view to rescheduling any of your or its indebtedness;
- (vi) the value of the assets of you or any Group Company or Security Provider is less than its liabilities (taking into account contingent and prospective liabilities);
- (vii) if you or any Security Provider are a body corporate, a moratorium is declared in respect of any indebtedness of you or any Group Company or Security Provider;
- (viii) if you or any Security Provider are a natural person, a bankruptcy order or a petition for such a bankruptcy order is made against you or any Security Provider, or other step is taken against you or any Security Provider, or notice is given to you or any Security Provider, in relation to the same;
- (ix) if you or any Security Provider are a natural person, entry into an individual voluntary arrangement pursuant to the provisions of Part VIII Insolvency Act 1986 or otherwise;
- (x) if you or any Security Provider are a body corporate, any corporate action, legal proceeding or other procedure or step is taken, or notice given, in relation to:
 - (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of, or the appointment of an administrator to you or any Group Company or Security Provider; or
 - (b) a composition, assignment or arrangement with any creditors of you or any Group Company or Security Provider; or
 - (c) the appointment of a provisional liquidator, a liquidator (other than a petitioner or application which we are satisfied is vexatious or frivolous and which is discharged within 21 days), receiver, receiver or manager, administrative receiver, administrator, compulsory or interim manager or other similar officer in respect of you or any Group Company or Security Provider or any of its assets; or
 - (d) enforcement of any Security over any assets of you or any Group Company or Security Provider, or any analogous procedure or step is taken in any jurisdiction;

3. Default

- (a) Each of the following events or circumstances is an Event of Default:
 - (i) you or any Security Provider fails to pay any sum due under any Finance Document on its due date;
 - (ii) any representation or warranty made by you or any Security Provider to a Finance Party is incorrect in any material respect when made;
 - (iii) you or any Security Provider fails to comply with any undertaking or obligation under any Finance Document;
 - (iv) any of your borrowing or the borrowing of any other Group Company or Security Provider (or any other transaction having the commercial effect of a borrowing) is not paid when due or within any original stated grace period or any creditor becomes entitled to declare that any such borrowing or transaction is due and payable prior to its stated maturity;

- (xi) the presentation of an application to any Court for the making of an Administration Order or Notice is given by any person of its intention to appoint an administrator or files such notice with the Court in relation to you or any Security Provider;
- (xii) any expropriation, attachment, sequestration, distress or execution affects any asset or assets of you or any Group Company or Security Provider and is not discharged within 30 days;
- (xiii) if you are or any Security Provider is a natural legal person, you or that Security Provider dies or becomes mentally incapacitated;
- (xiv) if you or any Security Provider are a body corporate, control of you, any Security Provider or any Group Company changes;
- (xv) the Property is destroyed or subject to major damage;
- (xvi) it becomes unlawful for you or any Security Provider to perform any of your or its obligations under the Finance Documents;
- (xvii) all or any part of any Finance Document ceases to be legal or effective;
- (xviii) where lending exceeds 45% of total value of the assets of the SIPP or SSAS (if applicable); or
- (xix) any other circumstance or event occurs which in our reasonable opinion will have a material adverse effect on your or any Security Provider's ability to comply with your or its obligations under any finance document, or the business, assets or financial condition of you or any group company or Security Provider (including without limitation changes in the circumstances of you or any Security Provider or in regulatory or economic conditions).

(b) If any of the events listed above occurs we may at any time by notice to you:

- (i) cancel any undrawn part of the Term Loan whereupon it shall immediately be cancelled; and/or
- (ii) declare that the Term Loan and all other sums due under the Finance Documents are immediately due and payable, whereupon they shall become immediately due and payable; and/or
- (iii) declare that the Term Loan is payable on demand, whereupon it shall immediately become payable on demand;
- (iv) enforce or take any step to enforce the Security under the Finance Documents; and/or
- (v) charge an administration fee to compensate us for the additional time spent in administering the Term Loan.

4. Taxes

All payments by you and any Security Provider will be made without deduction of tax unless deduction is required by law, in which case the amount payable by you will be increased to ensure that we receive and retain a net sum equal to that which we would have received and retained had no such deduction been made.

5. Set Off

We may set-off any balance standing to the credit of any suspense account into which we may deposit monies received, recovered or realised under any Finance Document against any sum now or from time to time due, owing or incurred by you or it to us whether presently payable or not, whether actually or contingently, whether solely or jointly with any other person and whether as principal or guarantor. We may make any currency exchanges necessary for this right of set-off and all reasonable charges and all taxes in relation to any currency exchange will be paid by you. Neither you nor any Security Provider may set-off or make any counter-claim or deduction from amounts payable to us.

6. EMU Compliance

If the introduction of, changeover to or operation of a single or unified European currency results in the currency in which the Term Loan is provided changing or being replaced or us (in our reasonable opinion) requiring to amend any Finance Document due to changes in price sources for any European Union member state national currency or the Euro or market conventions relating to the calculation of interest then you agree that you will permit any Finance Document to be amended to the extent necessary (in our reasonable opinion) to reflect those changed circumstances.

7. Indemnity

You will indemnify each Finance Party against any loss, liability or cost incurred in connection with all or any of the following:

- (a) any of the events set out in Clause 3(a) (Default) above occurring or the operation of Clause 3(b) (Default) above and any breach of any Finance Document;
- (b) you repaying all or any part of the Term Loan or other amount due under a Finance Document without double counting, other than on the due date, or not borrowing the Term Loan on the date it is due to be made, including, in each case, loss of interest rate margin or other loss on account of funds borrowed or contracted for by us to fund any amount payable by us under the Facility Letter or as a result of us entering into any arrangements with a third party in order to fix or cap the interest rate which applies to the Term Loan;
- (c) any increased cost or reduction on the rate of return from the Term Loan resulting from any official directive, requirement or request or any law or regulation or judicial or official interpretation thereof;

- (d) us acting on telephone or electronic instructions given or purported to be given on your behalf;
- (e) any actual or threatened breach of environmental law, any actual or threatened release of any substance capable of causing harm to any living organism or damaging the environment on, at or from the Property or premises or operations of any Group Company or any actual or threatened claim against you or any Group Company in respect of an alleged breach of environmental law or remedial obligation under such law;
- (f) you making any payment or repayment other than in sterling;
- (g) any change to or any introduction of any law or regulation in relation to, or any compliance by us with, any form of banking or monetary control or the introduction of, changeover to or operation of a single or unified European currency;
- (h) the enforcement or preservation of rights under the Finance Documents including, without limitation, any amounts due to the Lender in relation to the carrying out of its duties in respect of the Finance Documents.

Each Finance Party will use all reasonable endeavours to mitigate any loss suffered by it in relation to any of the above.

8. Servicer

- (a) Any Finance Party may appoint an agent (who will be designated the "Servicer") to carry out all or any of our functions in relation to the Finance Documents and you hereby agree to any such appointment without notice to you.
- (b) You will be entitled to act on any instruction or notice issued to you by the Servicer as if issued by us.
- (c) You acknowledge the authority and power of the Servicer and that the Servicer is entitled to give any instructions or consents stated to be given by the applicable Finance Party under the Finance Documents, until such time as we notify you that we have terminated the appointment of the Servicer.

9. Notices

- (a) All notices or other communications by us under any Finance Document will be in writing and will be effectively given if (1) sent by first class post to your registered office or the address last known to us (2) sent by fax transmission to your fax number last known to us or (3) sent by e-mail to your e-mail address last known to us, and will be deemed to have been given and received 48 hours after being sent by first class post, and if by fax or e-mail, when sent.
- (b) We may rely upon any communication by telephone, fax or e-mail or purporting to be on your behalf by anyone notified to us as being authorised without enquiry by us as to authority or identity.

- (c) All notices or other communications to us by you under any Finance Document will be in writing and will be effectively given if (1) sent by first class post to our registered office (2) sent by fax transmission to our current fax number or (3) sent by e-mail to our e-mail address and will be deemed to have been given and received 48 hours after being sent by first class post, and if by fax or e-mail, when sent.

10. Assignment

- (a) Any Finance Party may, at any time, assign, grant Security over or securitise or syndicate, all or any of its rights under the Finance Documents or transfer by novation or otherwise dispose of all or any of its rights and obligations under the Finance Documents to any other person and may disclose such information about the Finance Documents and you or any Group Company to any other person as it sees fit in relation to the same, or in relation to any securitisation relating to, or using as a reference, along with other loans, the Term Loan, with such other person having the right to disclose such information to any other interested person, in relation to the same.
- (b) A transfer or any other disposal of obligations by a Finance Party will be effective on receipt by us of written confirmation from the new Finance Party that it shall assume the same obligations to the Finance Parties as if it had been an original Finance Party. Upon such confirmation, the transferring or disposing Finance Party will be relieved of its obligations under the Finance Documents to the extent assumed by the new Finance Party. You and each Security Provider and the new Finance Party shall assume obligations towards one another and/or acquire rights against one another to the extent that the new Finance Party has assumed or acquired the same in place of the disposing Finance Party. Notwithstanding anything else in this paragraph (b), any assignment of rights by us under the Finance Documents does not require your consent and we need not notify you of such assignment.
- (c) Neither you nor any Security Provider may assign or transfer all or any of your or its rights, obligations or benefits under the Finance Documents.

11. Securitisation

- (a) In connection with any such securitisation, syndication or other transfer you acknowledge that we may procure that such rating agencies and legal advisors as we identify review the Term Loan the Security and the Finance Documents.
- (b) At our request and cost you agree to co-operate with such review and to make any necessary prudent modifications to the Finance Documents that we propose in relation to such securitisation, syndication or other transfer provided that such modifications are not material and do not relate to the fees or overall amount of interest payable in respect of the Term Loan.

- (c) You shall, at our request and cost, enter into such other further documentation or agreements if deemed necessary or appropriate by us to facilitate a securitisation, syndication or transfer, as we may reasonably request.

12. Further Assurance

Without prejudice to anything else contained in these Terms and Conditions, you shall at any time at our request but at your cost promptly sign seal execute deliver and do all deeds instruments notices documents acts and things in such form as we may from time to time require in order to facilitate or perfect any Security.

13. General

- (a) If any Finance Party fails or delays in exercising any right or remedy under the Finance Documents this does not mean that it has waived that right or remedy and it may exercise any right or remedy on more than one occasion.
- (b) If a Finance Party receives a payment that is insufficient to discharge all the amounts then due and payable by you or any Security Provider, that payment shall be applied firstly, towards any unpaid fees, costs and expenses of any Finance Party and receiver, receiver and manager or administrative receiver (or any other insolvency practitioner), secondly, towards all accrued interest due and payable under the Finance Documents, thirdly, towards payment of the Term Loan to the extent due and payable, fourthly, towards all other Secured Obligations then due and payable.
- (c) If any part of the Finance Documents is not valid or enforceable then that will not affect any other part.
- (d) Unless arithmetically or factually incorrect, any determination by us of a rate, an amount or a due date under the Finance Documents will be binding on you.
- (e) These Standard Terms and Conditions will be governed by the law which applies to the Facility Letter and you submit to the jurisdiction of the relevant courts.
- (f) Any Finance Party may (without obligation to do so) enter the Property with or without agents to carry out such works and take such steps as it may consider necessary to remedy any failure to comply with the Finance Documents.
- (g) You and each Security Provider confirm that any Finance Party:
 - (i) may from time to time disclose to any person a Finance Party considers necessary, including in connection with any assignment or transfer of all or any of its rights and/or obligations under the Finance Documents or any securitisation or listing and any offering documents prepared in connection therewith, any information and/or documentation which a Finance Party acquires from you or any third party under or in connection with the Finance Documents;
 - (ii) may make, from time to time, such enquiries and searches and obtain such references (including from any credit reference agency) about you or any Security Provider as a Finance Party considers necessary. The Finance Parties may also provide information to credit reference agencies about your repayments of the Term Loan;
 - (iii) the Finance Parties may use and disclose any information about you and any Security Provider to administer the Term Loan, to develop further goods and services and for creating and maintaining a customer profile and otherwise in the course of its legitimate business or in connection with the Finance Documents.
- (h) If you are required by law at any time to make any deductions for any tax, levy, impost, duty, charge or fee or any withholding of a similar nature from any payment due under the Facility Letter or any of the Finance Documents the amount payable by you to us shall be increased to the amount which (after making such deduction or withholding) equals the full amount which would have been payable to us if no deduction or withholding had been required.

- (i) If we incur an additional or increased cost incurred by us as a result of having entered into or performing, maintaining or funding our obligations under the Facility Letter or that portion of an additional or increased cost incurred by us in making, funding or maintaining all or any advances comprised in a class of advances formed by or including the Term Loan; or a reduction in any amount payable to us or on the effective return to us under the Term Loan or on our capital or the foregone amount of any payment made or interest or other return on or calculated by reference to any amount received or receivable by us under the Term Loan in each case arising as a result of any change, introduction, interpretation or administration of any law or regulation after the date of the Facility Letter or any compliance after the date of the Facility Letter with any law or regulation relating to reserved assets, special deposits, cash ratios, liquidity or capital adequacy requirements or any other form of banking or monetary control (including controls and requirements of the Bank of England, the Financial Conduct Authority, the European Central Bank or any other governmental or regulatory authority) or the introduction of changeover to or operation of a single or unified European currency or otherwise then you will indemnify us and promptly pay to us the amount we certify as payable.

14. Interpretation

- (a) Any reference in these Standard Terms and Conditions, the Facility Letter or any other Finance Document to:

- (i) "Authorisation" is to any authorisation, consent, approval, resolution, licence, exemption, permit, filing or registration;
- (ii) "Business Day" is to a day other than a Saturday or Sunday or a bank holiday on which banks in London are open for general business;
- (iii) "Control" of any company will be interpreted in accordance with Section 840 of the Income and Corporation Taxes Act 1988;
- (iv) "Default Rate" is to the rate of interest which applies to any unpaid sum under any Finance Document at the rate specified as such in the Facility Letter;
- (v) "Event of Default" is to any of the events or circumstances specified as such in Clause 3 (Default) of these Standard Terms and Conditions;
- (vi) "Facility Letter" is to any letter issued by us and offering facilities which refers to these Standard Terms and Conditions;
- (vii) "Finance Document" is to the Facility Letter, any Debenture Guarantee and any Legal Charge, and any other document designated as such by you and us in each case as amended from time to time;

- (viii) "Finance Party" is to us and any assignee or beneficiary of any Security under a Finance Document;
- (ix) "Group" is to you, any holding company of you and each of your subsidiaries which is not dormant and/or the subsidiaries of your holding company (if any), all as defined in the Companies Act 1985, and "Group Company" will be construed accordingly;
- (x) "Lender" is InterBay Funding Limited as lender under the Facility Letter and includes its successors and assigns and any beneficiary for whom we may act as security trustee from time to time;
- (xi) "LIBOR Rate" is the 3 month sterling London Inter Bank Offer Rate or in the event of such rate ceasing to exist such other comparable rate of interest as we shall from time to time determine PROVIDED THAT for the purpose of this Term Loan or any other borrowing from us by you referable to these Standard Terms and Conditions such rate will not be less than the higher of the London Inter Bank Offer Rate at the date of commencement of the Term Loan and 0.75% ("the Starting Rate") and FURTHER PROVIDED THAT if the London Inter Bank Offer Rate reaches 3% at any point whilst any borrowing hereunder subsists then thereafter such rate will be the greater of 3% or the Starting Rate or the London Inter Bank Offer Rate from time to time;
- (xii) "Property" is to any freehold or leasehold property over which you are to grant or have granted Security in respect of the Secured Obligations;
- (xiii) "Rental Income" means all sums paid or payable to or for the benefit of you or a Security Provider arising from the letting, use or occupation of all or any part of the Property, including, without limitation:
 - (1) rents, licence fees and equivalent sums reserved or made payable;
 - (2) sponsorship, advertising or other income attributable to legally binding advertising or sponsorship contracts;
 - (3) sums received from any deposit held as security for performance of any tenant's obligations;
 - (4) proceeds of insurance in respect of loss of rent;
 - (5) receipts from or the value of consideration given for the grant, surrender or variation of any occupational lease;
 - (6) any service charge expenses;

- (7) proceeds paid for a breach of covenant or dilapidations under any occupational lease in relation to the Property and for expenses incurred in relation to any such breach;
 - (8) any contribution to a sinking fund paid by a tenant under an occupational lease;
 - (9) any contribution by a tenant of the Property to ground rent due under any headlease out of which you or the Security Provider derives its interest in the Property;
 - (10) any payment from a guarantor or other surety in respect of any of the items listed in this definition;
 - (11) interest, damages or compensation in respect of any of the items in the definition; and
 - (12) (to the extent not already part of the amounts referred to in paragraphs (1) to (11) above) any amount which represents VAT chargeable in respect of any such sum.
- (xiv) "Secured Obligations" is to all present and future obligations and liabilities (whether actual or contingent, owed jointly or severally or in any other capacity whatsoever and whether originally incurred by you or any Security Provider or any other person) of you and each Security Provider to the Finance Parties (or any of them) under each of the Finance Documents including without limitation the Term Loan and all interest chargeable thereon and all costs and expenses incurred by any of the Finance Parties, except for any obligation or liability which, if it were so included, would cause that obligation or liability or any Security in respect thereof, to be unlawful or prohibited under any applicable law;
- (xv) "Security" is a mortgage, charge, assignment, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;
- (xvi) "Security Provider" is to any person other than you which has provided Security or a guarantee under a Finance Document;
- (xvii) "Servicer" is ourselves or such other servicer as we may appoint from time to time to provide servicing and carry out other administrative functions in respect of the Term Loan;
- (xviii) "the SIPP" means the self-invested personal pension identified in the Facility Letter (if any) or any successor or replacement thereof;
- (xix) "the SSAS" means the small self administered scheme identified in the Facility Letter (if any) or any successor or replacement thereof;
- (xx) "Term Loan" is to any term loan made available by us to you under the Facility Letter or the principal amount outstanding thereof;
- (xxi) "we" and "us" is to InterBay Funding Limited as lender under the Facility Letter and includes our successors assigns and any beneficiary for whom we may act as a security trustee from time to time;
- (xxii) "you" is to the borrower(s) under the Facility Letter and where there is more than one borrower to each of them, and the obligations of each borrower in respect of the Finance Documents are joint and several;
- (xxiii) references to statutes, statutory provisions and other legislation or regulations include all amendments, substitutions and re-enactments for the time being in force;
- (xxiv) references to a "person" include any company, partnership, trustee, unincorporated association or other entity, whether having separate legal personality or not.
- (b) In these Standard Terms and Conditions and the Finance Documents, words importing the singular will include the plural and vice versa.
- (c) Any reference to the Finance Documents will be construed as references to those documents in force from time to time and as amended, supplemented, restated, substituted or novated from time to time.

For more information call 0345 618 5794
or visit interbay.co.uk

