

MR01

Particulars of a charge

178389 / 13



A fee is payable with this form
Please see 'How to pay' on the
last page

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☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

☒ **What this form is NOT for**
You may not use this form to
register a charge where there
instrument Use form MR08

THURSDAY



A28IQANM

A08

16/05/2013

#263

COMPANIES HOUSE

This form **must be delivered to the Registrar for registration within 21 days** beginning with the day after the date of creation of the charge. If delivered outside of the 21 days it will be rejected unless it is accompanied by a court order extending the time for delivery

You **must** enclose a certified copy of the instrument with this form. This will be scanned and placed on the public record

1 Company details

Company number ☒ 0 4 9 9 2 0 6 8

Company name in full North East Property Partnership Limited

6 For official use

→ **Filling in this form**
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date ☒ d1 d4 m0 m5 y2 y0 y1 y3

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name ☒ The Royal Bank of Scotland plc as Security Agent for the
Finance Parties

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

MR01

Particulars of a charge

4

Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

Continuation page

Please use a continuation page if you need to enter more details

Description

Please see continuation page

5

Fixed charge or fixed security

Does the instrument include a fixed charge or fixed security over any tangible or intangible (or in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☒ Yes

☐ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☒ Yes Continue

☐ No Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☒ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the chargor from creating any further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ Yes

☐ No

MR01

Particulars of a charge

8

Trustee statement ①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

① This statement may be filed after the registration of the charge (use form MR06)

9

Signature

Please sign the form here

Signature

Signature

X *Aldeshaw Goddard Ltd* X

This form must be signed by a person with an interest in the charge

MR01

Particulars of a charge



Presenter information

We will send the certificate to the address entered below. All details given here will be available on the public record. You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address.

Contact name SUMMRJ/ 334667-1

Company name Addleshaw Goddard LLP

Address Sovereign House

Sovereign Street

Post town Leeds

County/Region

Postcode L S 1 1 H Q

Country UK

DX 12004 Leeds

Telephone 0113 209 2598



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register
- ☐ You have included a certified copy of the instrument with this form
- ☐ You have entered the date on which the charge was created
- ☐ You have shown the names of persons entitled to the charge
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☐ You have given a description in Section 4, if appropriate
- ☐ You have signed the form
- ☐ You have enclosed the correct fee
- ☐ Please do not send the original instrument, it must be a certified copy



Important information

Please note that all information on this form will appear on the public record.



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'.



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below.

For companies registered in England and Wales
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

MR01 - continuation page

Particulars of a charge

4

Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

Description

Estate	Title number	Plan reference
BT2004 - Balliol Industrial Estate ("Balliol")	TY415128	BT2004/MASTER/RDA/150213
BT114 - Boldon Industrial Estate	TY208895	BT114/MASTER/RDA/150213
DC122 - Harmire Industrial Estate	DU258873 and DU152372	DC122/LAND/RDA/150213
BT2003 - Hylton Park Industrial Estate	TY249285 and TY415127	BT2003/MASTER/RDA/150213
BT94 - Leechmere Industrial Estate	TY11631	BT94/SITE/RDA/150213
BT76 - Nelson Park Industrial Estate	ND70178, ND138075 and ND137236	BT76/SITE/RDA/150213
BT175 - New York Industrial Estate ("New York")	TY415126	BT175/MASTER/RDA/150213
BT20 - North Tees Industrial Estate	CE131373, CE19301, CE139962 and CE173911	BT20/MASTER/RDA/150213
BT16 - Pallion Industrial Estate	TY251877	BT16/MASTER/RDA/150213
BT97 - Park View Industrial Estate	CE19795	BT97/MASTER/RDA/150213
BT77 - Pennywell Industrial Estate	DU12463	BT77/MASTER/RDA/150213
BT43 - Prudhoe Industrial Estate	ND75598	BT43/MASTER/RDA/150213
BT25 - Southwick Industrial Estate	TY251444	BT25/MASTER/RDA/150213
BT95 - Tanfield Lea Industrial Estate	DU193387	BT95/MASTER/RDA/150213

continued overleaf

Estate	Title number	Plan reference
BT1 - Team Valley Industrial Estate	TY253273	BT1/MASTER/RDA /050213
	TY253274	
	TY253275	
	TY253276	
	TY253277	
	TY253278	
	TY253279	
	TY253280	
	TY253281	
	TY253282	
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	TY253308	
	TY253309	
	TY253310	
	TY100477	
	TY253320	
	TY253319	
	TY253318	
	TY253317	
	TY253316	
	TY253315	
	TY253314	
	TY253313	
	TY253312	
	TY253311	
	TY253288	
	TY253300	
	TY365980	
	TY488432	

Continued Overleaf

Estate	Title number	Plan reference
BT50 - Teesside Industrial Estate	CE114693 and CE108556	BT50/MASTER/RD A/150213
BT167 - Wansbeck Industrial Estate	ND137235	BT167/MASTER/R DA/150213
EP2006 - Whitehouse Industrial Estate	TY320686	EP2006/MASTER/ RDA/150213

End



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 4992068

Charge code: 0499 2068 0006

The Registrar of Companies for England and Wales hereby certifies that a charge dated 14th May 2013 and created by NORTH EAST PROPERTY PARTNERSHIP LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 16th May 2013

Given at Companies House, Cardiff on 21st May 2013



Dated

14 May

2013

**NORTH EAST PROPERTY PARTNERSHIP
(ACTING BY ITS GENERAL PARTNER,
NORTH EAST PROPERTY PARTNERSHIP LIMITED)
as Borrower**

**NORTH EAST PROPERTY PARTNERSHIP LIMITED
as General Partner**

**THE ROYAL BANK OF SCOTLAND PLC
as Security Agent**

SECURITY AGREEMENT

WE HEREBY CERTIFY THAT THIS IS
A TRUE COPY (AS REDACTED) OF
THE ORIGINAL

Addleshaw Goddard LLP

DATE 15.05.2013
ADDLESHAW GODDARD LLP

ADDLESHAW GODDARD

Contents

Clause	Page
1 Definitions and interpretation	1
2 Covenant to pay	5
3 Charging provisions	5
4 Continuing security	8
5 Negative pledge	9
6 Restrictions on disposals	9
7 Further assurance	9
8 Land Registry	10
9 Future property	10
10 Notices of assignments and charges	11
11 Investments	11
12 Security power of attorney	13
13 Enforcement of security	13
14 Receiver	15
15 Delegation	19
16 Application of monies	19
17 Remedies and waivers	19
18 Protection of third parties	19
19 Additional security	20
20 Settlements conditional	20
21 Subsequent Security	20
22 Set-off	20
23 Notices	21
24 Invalidity	21
25 Assignment	21
26 Releases	21
27 Currency clauses	21
28 Certificates and determinations	21
29 Undertaking of the Security Agent relating to the Balliol Property and the New York Property	21
30 Counterparts	22
31 Governing law	22
32 Enforcement	22

Schedules

1	Occupational Leases	23
	Part 1 - Form of notice of assignment	23
	Part 2 - Form of acknowledgement	25
2	Blocked Accounts	26
	Part 1 - Form of notice of charge	26
	Part 2 - Form of acknowledgement	27

This Deed is made on

14 May 2013

Between

- (1) **North East Property Partnership** (a limited partnership registered in England and Wales with number LP009379) (**Partnership**) (acting through its general partner, the General Partner) (**Borrower**)
- (2) **North East Property Partnership Limited** (registered in England with number 4992068) (**General Partner**),
- (3) **The Royal Bank of Scotland Plc** (registered in Scotland with number SC090312) as security agent for the Finance Parties (**Security Agent**, which term shall include any person appointed as security agent or as an additional security agent in accordance with the terms of the Facilities Agreement)

It is agreed

1 Definitions and interpretation

1.1 Definitions

In this Deed

Balliol Property means the property as identified as Property 2 and referred to as "Balliol" in schedule 1 of the Property Identification Agreement

Blocked Account means

- (a) the Rent Account
- (b) the Disposals and Prepayment Account and
- (c) any other account designated as a Blocked Account by the Borrower and the Security Agent

Charged Account has the meaning given to it in clause 3.4(h) (First fixed charges)

Chargors means the Borrower and the General Partner and **Chargor** shall mean any of them

Debts has the meaning given to it in clause 3.4(f) (First fixed charges)

Facilities Agreement means the facilities agreement between the Borrower as borrower, The Royal Bank of Scotland plc and Abbey National Treasury Services PLC as joint Arrangers, The Royal Bank of Scotland plc and Abbey National Treasury Services PLC as Original Lenders, The Royal Bank of Scotland plc and Abbey National Treasury Services PLC as Original Hedge Counterparties and The Royal Bank of Scotland plc as Agent and Security Agent and dated on or about the date of this Deed under which the Lenders agree to make available to the Borrower the revolving credit facilities

Fixtures means, in respect of any Secured Property, all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery now or at any time after the date of this Deed on that Secured Property

Floating Charge Assets means all the assets and undertaking from time to time subject to the floating charge created under clause 3.5 (Floating charge)

Intellectual Property means

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

Investments means any shares, stocks, debenture security, securities, bonds and investments of any type whatever, including but not limited to, negotiable instruments, certificates of deposit, eligible debt securities, interests in collective investment schemes, or other investments referred to in section 22 of, and as defined in Part II of Schedule 2 to, the Financial Services and Markets Act 2000 and Part III of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, whether certificated or uncertificated, physical or dematerialised, registered or unregistered, held by that relevant Chargor or by a trustee or clearance system or nominee (excluding any LLP Interests whatsoever held by a Chargor)

LLP means North East Regeneration Partnership LLP, a limited liability partnership registered in England and Wales with number OC384291

LLP Agreement means the agreement pursuant to which the LLP is constituted

LLP Interests means the interests of the General Partner in the LLP from time to time whether pursuant to the LLP Agreement or otherwise

New York Property means the property as identified as Property 8 and referred to as "New York" in schedule 1 of the Property Identification Agreement

Party means a party to this Deed

Property means all Properties listed in the Property Identification Agreement and **Property** means each or any of them as the context requires

Property Identification Agreement means the property identification agreement dated on or about the date of this Deed and entered into between, among others, the Borrower and The Royal Bank of Scotland plc as Agent for the Finance Parties

Receiver means any receiver, manager or administrative receiver appointed by the Security Agent in respect of a Chargor or any of the Secured Assets

Related Rights means, in respect of any Investment

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

Relevant Agreement means

- (a) the Property Management Agreement
- (b) each Hedging Agreement
- (c) each other agreement designated as a Relevant Agreement by the Security Agent and each relevant Chargor in writing

Relevant Policies means, in respect of a Chargor, all policies of insurance present and future in which it has an interest (other than policies in respect of public liability and third party liability) together with all monies payable in respect of such policies

Restricted Activity means

- (a) The manufacture texturization or polymerisation of synthetic fibres (ie polyester polyamide (nylon) acrylic and polypropylene)
- (b) The building conversion or repairing of sea-going vessels with metal hulls of 100 gross tonnes or more
- (c) Iron and steel
 - (i) projects involving the production of all Treaty of Paris products (raw materials for iron and steel production, pig iron for steel making foundry and other pig iron, ferro alloys, crude semi-finished and hot-finished products of iron ordinary steel or special steel, tinplate terneplate blackplate galvanised sheets other coated sheets cold rolled sheets and plate electric sheets strip for tinplate, ferrous scrap-including shipbreaking)
 - (ii) projects involving the production of seamless tubes welded tubes and pipes wire drawing bright bar drawing cold rolled narrow strip
 - (iii) projects relating to foundries where the applicant is a steel producing company
 - (iv) projects involving heavy open-die forging
 - (v) projects where grant might be of significant benefit to companies engaged in i) or ii) above eg companies which lease assets to or whose output is largely supplied to manufacturers of the products in (a) or (b) above
- (d) The production of handling or treatment of coal
- (e) The manufacture and assembly of motor vehicles and manufacture of motor vehicle engines Component manufacturers per se are not restricted however aid given to a motor vehicle manufacturer or its subsidiary for the manufacture of parts or accessories is restricted as aid granted for the manufacture of parts or accessories under licence or patent of a vehicle manufacture
- (f) Primary agricultural production
- (g) The processing and marketing of agricultural products

- (h) Any activity involving the production of sugar or any carbohydrate which can be used as a substitute for sugar
- (i) The manufacture and marketing of dairy products or imitation substitute products
- (j) Any activity involving the slaughtering and processing of livestock and poultry
- (k) Fisheries enterprises

Secured Assets means in respect of any Chargor, all of its assets and undertaking the subject of any Security created by, under or supplemental to, this Deed in favour of the Security Agent

Secured Obligations means, in respect of any Chargor, all monies and liabilities now or after the date of this Deed due owing or incurred by that Chargor to the Finance Parties (or any of them) under the Finance Documents (or any of them) in any manner and in any currency or currencies and whether present or future, actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety, together with all interest accruing on such monies and liabilities and all costs, charges and expenses incurred by any Finance Party under any Finance Document, except for any obligation which, if it were included here, would constitute unlawful financial assistance or its equivalent in any other jurisdiction

Secured Property means, at any time, the Property and all other freehold, leasehold or commonhold property which is subject to any Security created by, under or supplemental to, this Deed

Security Period means the period beginning on the date of this Deed and ending on the first date on which the facilities made available by the Finance Parties (or any of them) under the Finance Documents (or any of them) have been fully and finally discharged to the satisfaction of the Agent, whether or not as a result of an enforcement, and the Finance Parties are under no further obligation to provide financial accommodation to the Borrower under the Finance Documents

1 2 Interpretation

- (a) Unless otherwise defined in this Deed, a term defined in the Facilities Agreement has the same meaning when used in this Deed or any notices, acknowledgements or other documents issued under or in connection with this Deed
- (b) In this Deed the term **dispose** includes any sale, lease, licence, transfer or loan
- (c) Clause 1 2 (Construction) of the Facilities Agreement is incorporated in this Deed as if set out here in full but so that each reference in that clause to **this Agreement** shall be read as a reference to this Deed
- (d) In the event of any conflict between the terms of this Deed and the Facilities Agreement, the terms of the Facilities Agreement will prevail

1 3 Third party rights

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

or remedy of a third party which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999

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

1 4 Administration

- (a) Any reference in this Deed, or any other Finance Document entered into under or in connection with it, to the making of an administration order shall be treated as including a reference to the appointment of an administrator under paragraph 14 (by the holder of a qualifying floating charge in respect of the assets of a Chargor) or 22 (by a Chargor or the directors of a Chargor) of Schedule B1 to the Insolvency Act 1986 or any steps taken toward such order or appointment
- (b) Any reference in this Deed or any other Finance Document entered into under or in connection with it, to making an application for an administration order by petition shall be treated as including a reference to making an administration application to the court under Schedule B1 to the Insolvency Act 1986, appointing an administrator under paragraph 14 or 22 of that Schedule, or giving notice under paragraph 15 or 26 of that Schedule of intention to appoint an administrator or any steps taken towards such application or notice

1 5 Incorporated terms

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

1 6 Property held on trust

The General Partner confirms that it holds each of the Secured Assets of the Borrower from time to time as assets of the Partnership

2 Covenant to pay

Each Chargor covenants with the Security Agent as security agent for the Finance Parties, to pay and discharge the Secured Obligations when they become due for payment and discharge in accordance with the terms of the Finance Documents

3 Charging provisions

3 1 General

All Security created by a Chargor under clauses 3 2 to 3 5 inclusive is

- (a) a continuing security for the payment and discharge of the Secured Obligations,
- (b) granted with full title guarantee,
- (c) granted in respect of all the right, title and interest (if any), present and future, of that Chargor in and to the relevant Secured Asset, and

- (d) created in respect of all of the assets of the Partnership from time to time, and
- (e) granted in favour of the Security Agent as security agent for the Finance Parties

3 2 First legal mortgages

Each Chargor charges by way of first legal mortgage the Property, and all Fixtures on the Property

3 3 Assignments

Each Chargor assigns

- (a) all Rental Income, and all other sums, payable under any Occupational Lease including any guarantee of Rental Income contained in, or relating to, any Occupational Lease,
- (b) the Relevant Agreements, and
- (c) the Relevant Policies

Each Chargor shall remain liable to perform all its obligations under each Occupational Lease, each Relevant Agreement and each Relevant Policy

3 4 First fixed charges

Each Chargor charges by way of first fixed charge

- (a) all interests and estates in any freehold, leasehold or commonhold property now or subsequently owned by it (other than any freehold, leasehold or commonhold property effectively charged by way of legal mortgage under clause 3 2) and, in each case, the Fixtures on each such property,
- (b) the proceeds of sale of its Secured Property and all licences to enter on or use any Secured Property,
- (c) the benefit of all other agreements, instruments and rights relating to its Secured Property,
- (d) all plant, machinery, vehicles, computers, office and other equipment, all furniture, furnishings, equipment and tools and any removals or replacement of them, present and future and the benefit of all contracts, licences, warranties, maintenance contracts relating to them and any renewals and replacements of them,
- (e) the Investments together with all Related Rights,
- (f) all book and other debts due to the relevant Chargor and their proceeds (both collected and uncollected) (together **Debts**) and all rights, guarantees, security or other collateral in respect of the Debts (or any of them) and the benefit of any judgment or order to pay a sum of money and all rights to enforce the Debts (or any of them),
- (g) all monies from time to time standing to the credit of each Blocked Account,

- (h) all monies from time to time standing to the credit of each account including, without limitation, the General Account held by the relevant Chargor with any bank, building society, financial institution or other person, other than any Blocked Account (each a **Charged Account**),
- (i) all its Intellectual Property,
- (j) all its goodwill and uncalled capital,
- (k) the benefit of all Authorisations held or utilised by it in connection with its business or the use of any of its assets and the right to recover and receive compensation payable in respect of any of them, and
- (l) to the extent that any assignment in clause 3.3 is ineffective as an assignment, the assets referred to in that clause

3.5 Floating charge

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

3.6 Qualifying floating charge

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

3.7 Conversion of floating charge to a fixed charge

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

- (a) an Event of Default is continuing, or
- (b) in the opinion of the Security Agent (acting reasonably) that Floating Charge Asset is in danger of being seized or any legal process or execution is being enforced against that Floating Charge Asset

3.8 Automatic conversion of floating charge to a fixed charge

- (a) If (unless permitted in writing by the Security Agent or expressly permitted under the terms of any Finance Document)
 - (i) each Chargor creates or attempts to create any Security over any of its Floating Charge Assets,
 - (ii) any person levies or attempts to levy any distress, attachment, execution or other legal process against any Floating Charge Asset, or
 - (iii) any corporate action, legal proceedings or other procedures or steps are taken for the winding up, dissolution, administration or reorganisation of any Chargor,

the floating charge created by this Deed

- (A) in relation to those specific Floating Charge Assets affected pursuant to clauses 3.8 (a)(i) and 3.8 (a)(ii) will, automatically and immediately without notice be converted into a fixed charge over the relevant Floating Charge Assets, or
 - (B) in relation to the circumstances described in clause 3.8 (a)(iii) will, automatically and immediately without notice be converted into a fixed charge over all of the Floating Charge Assets
- (b) The Security Trustee agrees that it will not convert any fixed charge created by the crystallisation of the floating charge pursuant to clause 3.8(a) into a floating charge if the action that resulted in the fixed charge created pursuant to clauses 3.8 (a)(ii) and 3.8 (a)(iii) was frivolous, vexatious or an abuse of process and such action is dismissed within 14 days of such action being taken

3.9 Documents of title

Each Chargor shall

- (a) immediately upon the execution of this Deed (and on the acquisition by it of any interest in any Secured Assets at any time) deposit with the Security Agent all deeds, certificates and other documents in its possession constituting or evidencing title to the Secured Assets (or otherwise procure that any such deeds, certificates and other documents are held to the order of the Security Agent on terms acceptable to the Security Agent), and
- (b) deposit with the Security Agent at any time after the date of this Deed any further deeds, certificates and other documents constituting or evidencing title to the Secured Assets, promptly upon coming into possession of them (or otherwise procure that any such deeds, certificates and other documents are held to the order of the Security Agent on terms acceptable to the Security Agent)

3.10 Small company moratorium

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

4 Continuing security

4.1 Continuing security

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

4.2 Recourse

The Security constituted by this Deed

- (a) is in addition to any other Security which any Finance Party may hold at any time for the Secured Obligations (or any of them), and

- (b) may be enforced without first having recourse to any other rights of any Finance Party

5 Negative pledge

5 1 No Chargor shall create or permit to subsist any Security over any of its assets or any assets of the Partnership

5 2 No Chargor shall

- (a) sell, transfer or otherwise dispose of any of its assets or any assets of the Partnership on terms whereby they are or may be leased to or re-acquired by a Chargor,
- (b) sell, transfer or otherwise dispose of any of its receivables on recourse terms,
- (c) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts, or
- (d) enter into any other preferential arrangement having a similar effect

5 3 Clauses 5 1 and 5 2 do not apply to any Permitted Security

6 Restrictions on disposals

6 1 No Chargor shall enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to dispose of all or any part of any Secured Assets

6 2 Clause 6 1 does not apply to

- (a) any disposal permitted pursuant to clause 22 2 (Occupational Leases) of the Facilities Agreement, or
- (b) any other disposal which is permitted pursuant to clause 21 4 (Disposals) of the Facilities Agreement

7 Further assurance

7 1 Each Chargor shall promptly do all such acts and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s))

- (a) to perfect, protect and maintain the Security created or intended to be created under or evidenced by this Deed or for the exercise of any rights, powers and remedies of the Security Agent or the Finance Parties provided by or pursuant to this Deed or by law,
- (b) to confer on the Security Agent or confer on the Finance Parties Security over any property and assets of that Chargor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to this Deed, and/or
- (c) (if an Event of Default is continuing) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security created by or under this Deed

7.2 Each Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Finance Parties by or pursuant to this Deed

7.3 To the extent not already recovered under the terms of the Facilities Agreement, any document required to be executed by a Chargor under this clause 7 will be prepared at the cost of that Chargor

8 Land Registry

8.1 Application for restriction

(a) In relation to land and buildings situated in England and Wales, title to which is registered or is to be registered at the Land Registry, each Chargor consents to an application being made to the Chief Land Registrar for registration of a restriction on the register of title of all present and future registered freehold, leasehold or commonhold property of that Chargor (and any unregistered properties subject to compulsory first registration at the date of this Deed)

(b) Each Chargor confirms that save for as disclosed in any Property Report so far as any of the Secured Property is unregistered, such land is not affected by any disclosable overriding interests within the meaning of the Land Registration Act 2002 or the Land Registration Rules 2003

8.2 Tacking and further advances

The Lenders are, subject to the terms of the Facilities Agreement, under an obligation to make further advances to the Borrower and this security has been made for securing such further advances. The Security Agent and each Chargor by this Deed consent to an application being made to the Chief Land Registrar to enter a note of such obligation on the register of title to all present and future registered property of that Chargor (and any unregistered properties subject to compulsory first registration at the date of this Deed)

9 Future property

If any Chargor acquires (or intends to acquire) any freehold or leasehold or other interest in property after the date of this Deed it must

(a) notify the Security Agent promptly of such acquisition or its intention to acquire such property,

(b) promptly on request by the Security Agent and at the cost of that Chargor, execute and deliver to the Security Agent, a charge by way of first legal mortgage of such property and all Fixtures on such property in favour of the Security Agent in such form as the Security Agent may require (acting reasonably),

(c) use its reasonable endeavours to obtain such consents as are required for the Security referred to in this clause 9,

(d) if the title to such freehold or leasehold property is registered at the Land Registry or required to be so registered, to give the Land Registry written notice of the Security, and

- (e) if applicable, ensure that the Security is correctly noted in the register of title against that title at the Land Registry

10 Notices of assignments and charges

10 1 Rental Income

- (a) On the date referred to in clause 10 1(b), each relevant Chargor shall give notice in substantially the form specified in part 1 (Form of notice of assignment) of schedule 1 to each tenant under each Occupational Lease that the relevant Chargor has assigned to the Security Agent all its right, title and interest in the Rental Income and other monies payable under that Occupational Lease including any guarantee of Rental Income contained in, or relating to, any Occupational Lease
- (b) Each relevant Chargor shall give the notices referred to in clause 10 1(a) at any time after service of a notice pursuant to Clause 23 14 (*Acceleration*) of the Facilities Agreement and as soon as reasonably practicable following a written request from the Security Agent
- (c) The relevant Chargor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice in substantially the form specified in part 2 (Form of acknowledgement) of schedule 1 within 45 Business Days of that notice being given

10 2 Relevant Agreements

- (a) Each relevant Chargor shall give notice to the other parties to each Relevant Agreement that the relevant Chargor has assigned to the Security Agent all its right, title and interest in that Relevant Agreement, the form of such notice to be agreed between the relevant Chargor and the Security Agent at such time as the Relevant Agreement comes into existence or is designated as such after the date of this Deed (in each case, each party acting reasonably)
- (b) The relevant Chargor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice in substantially the form agreed in clause 10 2(a) within 15 Business Days of that notice being given

10 3 Blocked Accounts

- (a) Each relevant Chargor shall give notice in substantially the form specified in part 1 (Form of notice of charge) of schedule 2 to the financial institution at which each Blocked Account (which is opened after the date of this Deed) is held that the relevant Chargor has created a fixed charge over the balance standing to the credit of that Blocked Account
- (b) Each relevant Chargor shall give the notices referred to in clause 10 3(a) in the case of a Blocked Account opened after the date of this Deed, promptly upon that Blocked Account being opened

11 Investments

11 1 Delivery of documents

On the later of

- (a) the date of this Deed, and
 - (b) the date of acquisition of those investments or Related Rights,
- each Chargor shall
- (i) deliver to the Security Agent all certificates of title and other documents of title or evidence of ownership in respect of its Investments and the Related Rights, and
 - (ii) deliver to the Security Agent such transfer documents (with the transferee left blank) or any other documents as the Security Agent may require or otherwise request (in both cases, acting reasonably) in respect of those Investments and Related Rights
- (c) At any time while an Event of Default is continuing, the Security Agent may complete any transfer documents held by it in respect of the Investments and/or Related Rights in favour of itself or such other person or nominee as it shall select
 - (d) At any time after the Security created by or under this Deed has become enforceable, the Security Agent and its nominee or nominees may sell all or any of the Investments or Related Rights of the Chargor (or any of them) in any manner permitted by law and on such terms as the Security Agent shall in its absolute discretion determine
 - (e) If any Chargor receives any dividends, distributions or other monies in respect of its Investments and Related Rights at a time when the Security Agent has made a taken any steps under clause 13.2 to enforce Security created by or under this Deed, each Chargor shall immediately pay such sums received directly to the Security Agent for application in accordance with clause 16 (Application of monies) and shall hold all such sums on trust for the Security Agent pending payment of them to such account as the Security Agent shall direct

11.2 Dividends

Until the Security created by or under this Deed is enforced each Chargor shall be entitled to receive and retain all dividends, distributions and other monies receivable in respect of its Investments and Related Rights

11.3 Voting rights

Each Chargor may exercise its voting and other rights in respect of its Investments and Related Rights

11.4 Payments

Each Chargor shall make all payments which may become due and payable in respect of any of its Investments and Related Rights. If it fails to make any such payments, the Security Agent may, but shall not be obliged to, make such payment on behalf of the relevant Chargor. Any sums so paid by the Security Agent shall be repayable by the relevant Chargor to the Security Agent on demand and pending such repayment shall constitute part of the Secured Obligations

11.5 Obligations

- 11 6 Each Chargor shall comply with all of the material conditions and obligations assumed by it in respect of its Investments and Related Rights and the Security Agent shall not be required to perform or fulfil any obligation of the relevant Chargor in respect of any Investments or Related Rights

11 7 Conversion

Immediately on conversion of any Investments or Related Rights from a certificated to an uncertificated form, and on the acquisition of any Investments or Related Rights in an uncertificated form, the relevant Chargor shall give such instructions or directions and take such other steps and enter into such documentation as the Security Agent may require in order to protect or preserve the Security intended to be created by this Deed

12 Security power of attorney

Each Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any of their delegates or sub-delegates to be its attorney to take any action which the Chargor is obliged to take under this Deed but which it has failed to take after becoming aware or after 10 Business Days after notice has been served on the relevant Chargor. Each Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause 12

13 Enforcement of security

13 1 When security is enforceable

On the occurrence of any Event of Default which is continuing, the Security created by and under this Deed is immediately enforceable but only for so long as that Event of Default is continuing

13 2 Acts of enforcement

The Security Agent may, at its absolute discretion, at any time after the Security created by or under this Deed is enforceable

- (a) enforce all or any part of the Security created by or under this Deed in any manner it sees fit,
- (b) exercise its rights and powers conferred upon mortgagees by the Law of Property Act 1925, as varied and extended by this Deed, and rights and powers conferred on a Receiver by this Deed, whether or not it has taken possession or appointed a Receiver to any of the Secured Assets,
- (c) appoint a Receiver to all or any part of the Secured Assets,
- (d) appoint an administrator in respect of any Chargor and take any steps to do so,
- (e) exercise its power of sale under section 101 of the Law of Property Act 1925 (as amended by this Deed), or
- (f) if permitted by law, appoint an administrative receiver in respect of the Chargor

13 3 Right of appropriation

To the extent that the Security created by this Deed constitutes a "security financial collateral arrangement" and the Secured Assets constitute "financial collateral" for the purpose of the Financial Collateral Arrangements (No 2) Regulations 2003 (**Regulations**), the Security Agent shall have the right on giving prior notice to the relevant Chargor, at any time after the Security becomes enforceable, to appropriate all or any part of those Secured Assets in or towards discharge of the Secured Obligations. The parties agree that the value of the appropriated Secured Assets shall be, in the case of cash, the amount of cash appropriated and, in the case of Investments, determined by the Security Agent by reference to any available publicly available market price in the absence of which by such other means as the Security Agent (acting reasonably) may select including, without limitation, an independent valuation. For the purpose of Regulation 18(1) of the Regulations, the relevant Chargor agrees that any such determination by the Security Agent will constitute a valuation "in a commercially reasonable manner"

13.4 Statutory powers - general

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

13.5 Contingencies

If the Security Agent enforces the Security constituted by or under this Deed at a time when no amounts are due to any Finance Party under the Finance Documents but at a time when amounts may or will become so due, the Security Agent (or the Receiver) may pay the proceeds of any recoveries effected by it into an interest bearing suspense account

13.6 Mortgagee in possession - no liability

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

13.7 Redemption of prior mortgages

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

- (a) redeem any prior form of Security over any Secured Asset, and/or
- (b) procure the transfer of that Security to itself, and/or
- (c) settle and pass the accounts of any prior mortgagee, chargee or encumbrancer which once so settled and passed shall be conclusive and binding on each Chargor

14 Receiver

14 1 Appointment of Receiver

- (a)
 - (i) At any time after any Security created by or under this Deed is enforceable, the Security Agent may appoint a Receiver to all or any part of the Secured Assets in accordance with clause 13 2(c) (Acts of enforcement)
 - (ii) At any time, if so requested in writing by any Chargor, without further notice, the Security Agent may appoint a Receiver to all or any part of the Secured Assets as if the Security Agent had become entitled under the Law of Property Act 1925 to exercise the power of sale conferred under the Law of Property Act 1925
- (b) Any Receiver appointed under this Deed shall be the agent of the Chargor and the relevant Chargor shall be solely responsible for his acts or defaults and for his remuneration and liable on any contracts or engagements made or entered into by him and in no circumstances whatsoever shall the Security Agent be in any way responsible for any misconduct, negligence or default of the Receiver
- (c) Where a Chargor is an eligible company within the meaning of paragraphs 2 to 4 (inclusive) of Schedule A1 to the Insolvency Act 1986
 - (i) obtaining a moratorium, or
 - (ii) anything done with a view to obtaining a moratorium including any preliminary decision or investigation in terms of paragraph 43 of Schedule A1 to the Insolvency Act 1986,

shall not be grounds for appointment of a Receiver

14 2 Removal

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

14 3 Powers of Receiver

- (a) **General**
 - (i) In addition to those conferred by the Law of Property Act 1925 on any Receiver appointed under that Act, each Receiver has, and is entitled to exercise, all of the rights, powers and discretions set out in this clause 14 3

- (ii) If there is more than one Receiver holding office at the same time, unless the document appointing him states otherwise, each Receiver may exercise all of the powers conferred on a Receiver under this Deed or under the Insolvency Act 1986 individually and to the exclusion of any other Receivers
- (iii) A Receiver of a Chargor has all the rights, powers and discretions of an administrative receiver under the Insolvency Act 1986
- (iv) A Receiver may, in the name of any Chargor
 - (A) do all other acts and things which he may consider expedient for realising any Secured Asset, and
 - (B) exercise in relation to any Secured Asset all the powers, authorities and things which he would be capable of exercising if he were its absolute beneficial owner

(b) Borrow money

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

(c) Carry on business

A Receiver may carry on the business of any relevant Chargor as he thinks fit and, for the avoidance of doubt, a Receiver may apply for such Authorisations as he considers in his absolute discretion appropriate.

(d) Compromise

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

(e) Delegation

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

(f) Employees

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

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

(g) Leases

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

(h) **Legal actions**

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

(i) **Possession**

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

(j) **Protection of assets**

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

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

(k) **Receipts**

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

(l) **Sale of assets**

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

(m) **Subsidiaries**

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

(n) **Deal with Secured Assets**

A Receiver may, without restriction sell, let or lease, or concur in selling, letting or leasing, or vary the terms of, determine, surrender or accept surrenders of, leases or

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

(o) Voting rights

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

(p) Security

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

(q) Acquire land

The Receiver may purchase or acquire any land and purchase, acquire or grant any interest in or right over land.

(r) Development

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

(s) Landlord's obligations

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

(t) Uncalled capital

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

(u) Incidental matters

A Receiver may do all other acts and things including without limitation, signing and executing all documents and deeds as may be considered by the Receiver to be

incidental or conducive to any of the matters or powers listed here or granted by law or otherwise incidental or conducive to the preservation, improvement or realisation of the Secured Assets and to use the name of the relevant Chargor for all the purposes set out in this clause 14

14 4 Remuneration

The Security Agent may from time to time fix the remuneration of any Receiver appointed by it

15 Delegation

15 1 The Security Agent and any Receiver may delegate by power of attorney or in any other manner all or any of the powers, authorities and discretions which are for the time being exercisable by the Security Agent and the Receiver (as appropriate) under this Deed to any person or persons as it shall think fit Any such delegation may be made upon such terms and conditions (including the power to sub-delegate) as the Security Agent and Receiver (as appropriate) may think fit

15 2 The Security Agent and any Receiver will not be liable or responsible to the relevant Chargor or any other person for any losses, liabilities or expenses arising from any act, default, omission or misconduct on the part of any delegate

16 Application of monies

16 1 Sections 109(6) and (8) (Appointment, powers, remuneration and duties of receiver) of the Law of Property Act 1925 shall not apply to a Receiver appointed under this Deed

16 2 All monies received by the Security Agent or any Receiver under this Deed shall be applied in accordance with the terms of clause 29 (Application of proceeds) of the Facilities Agreement

16 3 The Security Agent and any Receiver may place any money received, recovered or realised pursuant to this Deed in an interest bearing suspense account and it may retain the same for such period as it considers expedient without having any obligation to apply the same or any part of it in or towards discharge of the Secured Obligations

17 Remedies and waivers

17 1 No failure to exercise, nor any delay in exercising, on the part of the Security Agent or any Receiver, any right or remedy under this Deed shall operate as a waiver of any such right or remedy or constitute an election to affirm this Deed No election to affirm this Deed on the part of the Security Agent or any Receiver shall be effective unless it is in writing No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law

17 2 A waiver given or consent granted by the Security Agent or any Receiver under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given

18 Protection of third parties

18 1 No person (including a purchaser) dealing with the Security Agent or a Receiver or its or his agents has an obligation to enquire of the Security Agent, Receiver or others

- (a) whether the Secured Obligations have become payable,
- (b) whether any power purported to be exercised has become exercisable,
- (c) whether any Secured Obligations or other monies remain outstanding,
- (d) how any monies paid to the Security Agent or to the Receiver shall be applied, or
- (e) the status, propriety or validity of the acts of the Receiver or Security Agent

18 2 The receipt of the Security Agent or any Receiver shall be an absolute and a conclusive discharge to a purchaser and shall relieve him of any obligation to see to the application of any monies paid to or by the direction of the Security Agent or any Receiver

18 3 In clauses 18 1 and 18 2 **purchaser** includes any person acquiring, for money or monies worth, any lease of, or Security over, or any other interest or right whatsoever in relation to, the Secured Assets or any of them

19 Additional security

The Security created by or under this Deed is in addition to and is not in any way prejudiced by any guarantee or security now or subsequently held by any Finance Party

20 Settlements conditional

20 1 If the Security Agent (acting reasonably) believes that any amount paid by the relevant Chargor or any other person in respect of the Secured Obligations is capable of being avoided or set aside for any reason, then for the purposes of this Deed, such amount shall not be considered to have been paid

20 2 Any settlement, discharge or release between the relevant Chargor and any Finance Party shall be conditional upon no Security or payment to or for that Finance Party by a Chargor or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any law relating to bankruptcy, insolvency or liquidation or otherwise

21 Subsequent Security

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

22 Set-off

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

23 Notices

Any communication under this Deed or any other Security or Finance Document created by or under this Deed, shall be made and given in accordance with the terms of clause 34 (Notices) of the Facilities Agreement

24 Invalidity

Clause 36 (Partial invalidity) of the Facilities Agreement shall apply to this Deed as if set out here in full but so that references to the Finance Documents shall be construed as references to this Deed and any Security created by or under it

25 Assignment

The Security Agent may assign or otherwise transfer all or any part of its rights under this Deed or any Security created by or under it in accordance with the terms of the Finance Documents

26 Releases

Upon the expiry of the Security Period, the Security Agent shall, at the request and reasonable cost of the relevant Chargor, promptly take whatever action is necessary or desirable to release and reassign (or evidence the release and reassignment) to the relevant Chargor

(a) its rights arising under this Deed,

(b) the Secured Assets from the Security created by and under this Deed,

and return all documents or deeds of title delivered to it under this Deed

27 Currency clauses

27 1 Clause 32 9 (Change of currency) of the Facilities Agreement shall apply to this Deed as if set out here in full but so that references to the Finance Documents shall be construed as references to this Deed and any Security created by or under it

27 2 If a payment is made to the Security Agent under this Deed in a currency (**Payment Currency**) other than the currency in which it is expressed to be payable (**Contractual Currency**), the Security Agent may convert that payment into the Contractual Currency at the rate at which it (acting reasonably and in good faith) is able to purchase the Contractual Currency with the Payment Currency on or around the date of receipt of the payment and to the extent that the converted amount of the payment falls short of the amount due and payable the relevant Chargor will remain liable for such shortfall

28 Certificates and determinations

Clause 35 2 (Certificates and determinations) of the Facilities Agreement shall apply to this Deed as if set out here in full but so that references to the Finance Documents shall be construed as references to this Deed and any Security created by or under it and references to the Finance Parties shall be construed as references to the Security Agent

29 Undertaking of the Security Agent relating to the Balliol Property and the New York Property

In the event the Security Agent enters into possession of either the whole or any part of the Balliol Property or the New York Property during the period from the date of this Deed up to 26th August 2016, then the Security Agent will not itself use either of the Balliol Property or the New York Property or any part thereof for any activity which is a Restricted Activity nor will it sell, assign, underlet or in any way part with possession of either of the Balliol Property or the New York Property or any part thereof to a person which carries on a Restricted Activity at any location at the time of such sale, assignment, underletting or parting with possession

30 Counterparts

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

31 Governing law

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

32 Enforcement

- 32.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (**Dispute**)
- 32.2 The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- 32.3 This clause 32 is for the benefit of the Security Agent. As a result, the Security Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

This Security Agreement has been executed as a deed and delivered on the date given at the beginning of this Security Agreement.

Schedule 1

Occupational Leases

Part 1 - Form of notice of assignment

To ♦

Dated ♦

Dear Sirs

The lease described in the attached schedule (the Lease)

We hereby notify you that we have assigned by way of security to The Royal Bank of Scotland plc (**Security Agent**) as security agent for itself and certain financial institutions all our right, title and interest in and to the Lease (including all rental income and other monies payable under the Lease)

We hereby irrevocably and unconditionally authorise and instruct you until notified to the contrary by the Security Agent

- 1 without notice or reference to or further authority from us and without enquiring as to the justification or the validity of those instructions, to comply only with any instructions from time to time received by you from the Security Agent relating to the Lease, and
- 2 to pay all sums payable by you under the Lease directly to the following Rent Account [details to be inserted] (**Rent Account**)

We remain liable to perform all our obligations [as landlord] under the Lease and the Security Agent is under no obligation of any kind whatsoever under the Lease nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Lease

Please sign and return the acknowledgement attached to one enclosed copy of this notice to the Security Agent and the other copy to us

The provisions of this notice (and any non-contractual obligations arising out of or in connection with it) are governed by English law

Yours faithfully

for and on behalf of

North East Property Partnership acting through its general partner, **North East Property Partnership Limited**

Schedule

[Description of Lease]

[Attach form of acknowledgment]

Part 2 - Form of acknowledgement

To The Royal Bank of Scotland plc

To North East Property Partnership acting through its general partner, North East Property Partnership Limited (**Chargor**)

We acknowledge receipt of the notice of assignment (**Notice**) of which the enclosed is a duplicate
Terms defined in the Notice shall have the same meaning when used in this acknowledgement We confirm that

- (a) we shall act in accordance with the Notice,
- (b) the Chargor will remain liable to perform all its obligations under the Lease and the Security Agent is under no obligation of any kind whatsoever under the Lease nor under any liability whatsoever in the event of any failure by the Chargor to perform its obligations under the Lease,
- (c) no breach or default on the part of the Chargor of any of the terms of such Lease will be deemed to have occurred unless we have given notice of such breach to the Security Agent specifying how to make good such breach,
- (d) we have made all necessary arrangements for all future payments payable under such Lease to be made into the Rent Account,
- (e) as at the date of this acknowledgement we have not received any notice of assignment or charge of the Chargor's interest in the Lease in favour of any other person, and
- (f) [Tenants only to include this statement if this is factually correct] we do not have and have not claimed or exercised any right or claim against the Chargor or exercised or attempted to exercise any right of set-off, counterclaim or other right relating to the Lease

The provisions of this acknowledgement (and any non-contractual obligations arising out of or in connection with it) are governed by English law

For and on behalf of
[Tenant]

Schedule 2

Blocked Accounts

Part 1 - Form of notice of charge

To *[insert name and address of account holding institution]*

Dated ♦

Dear Sirs

Account number: ♦ **(Blocked Account)**

Sort code: ♦

Account holder: ♦ **Limited**

We hereby notify you that we have charged by way of first fixed charge to The Royal Bank of Scotland plc (**Security Agent**) as security agent for itself and certain financial institutions all our right, title and interest in and to the monies from time to time standing to the credit of the Blocked Account

We hereby irrevocably and unconditionally authorise and instruct you to comply with the terms of the facilities agreement dated ♦ and made between, among others, North East Property Partnership acting through its general partner, North East Property Partnership Limited and the Security Agent in relation to the Agreement

The provisions of this notice (and any non-contractual obligations arising out of it or in connection with it) are governed by English law

Yours faithfully

for and on behalf of
North East Property Partnership acting through its general partner, **North East Property Partnership Limited**

Part 2 - Form of acknowledgement

To The Royal Bank of Scotland plc

To North East Property Partnership acting through its general partner, North East Property Partnership Limited (**Chargor**)

We acknowledge receipt of the notice of charge (**Notice**) of which the enclosed is a duplicate

The provisions of this acknowledgement (and any non-contractual obligations arising out of it or in connection with it) are governed by English law

For and on behalf of
[*account holding institution*]

SIGNATORIES TO THE SECURITY AGREEMENT

Borrower

Executed as a deed by)
North East Property Partnership acting)
through its general partner,) Director
North East Property Partnership Limited
acting by a director in the presence of)

Signature of witness

Name *N L O V E*

Address **MUCKLE LLP
TIME CENTRAL
32 GALLOWGATE
NEWCASTLE UPON TYNE
NE1 4BF**

General Partner

Executed as a deed by)
North East Property Partnership Limited)
acting by a director in the presence of) Director

Signature of witness

Name *N L O V E*

Address **MUCKLE LLP
TIME CENTRAL
32 GALLOWGATE
NEWCASTLE UPON TYNE
NE1 4BF**

The Security Agent

Executed as a deed)
by)
as duly authorised attorney)
for and on behalf of **The Royal Bank of**)
Scotland plc in the presence of)

Signature of witness

Name

Address

SIGNATORIES TO THE SECURITY AGREEMENT

Borrower

Executed as a deed by)
North East Property Partnership acting)
through its general partner,) Director
North East Property Partnership Limited
acting by a director in the presence of

Signature of witness

Name .

Address

General Partner

Executed as a deed by)
North East Property Partnership Limited)
acting by a director in the presence of) Director

Signature of witness

Name

Address

The Security Agent

Executed as a deed)
by)
as duly authorised attorney)
for and on behalf of The Royal Bank of)
Scotland plc in the presence of)

Signature of witness

Name CLARE BERRIE McCAFFERTY

Address 90 5TH FLOOR, KIRSTANE HOUSE
139 ST VINCENT STREET, GLASGOW .