



Registration of a Charge

Company name: **BAYSCAPE LIMITED**

Company number: **06614776**



X55P4WPS

Received for Electronic Filing: **26/04/2016**

Details of Charge

Date of creation: **20/04/2016**

Charge code: **0661 4776 0011**

Persons entitled: **ICG LONGBOW DEVELOPMENT DEBT LIMITED**

Brief description: **1. THE FREEHOLD LAND KNOWN AS LAND AT ELY TIDAL HARBOUR, FERRY ROAD, CARDIFF, CF11 0LY REGISTERED AT THE LAND REGISTRY WITH TITLE NUMBER CYM53304. 2. THE FREEHOLD LAND KNOWN AS LAND ADJOINING CAMBRIAN MARINE BOATYARD SITE, WATKISS WAY, GRANGETOWN, CARDIFF FORMING PART OF TITLE NUMBERS WA971216, CYM7575 AND CYM7594 WITH THE ALLOCATED TITLE NUMBER CYM671620 AT THE LAND REGISTRY.**

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: **GOWLING WLG (UK) LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 6614776

Charge code: 0661 4776 0011

The Registrar of Companies for England and Wales hereby certifies that a charge dated 20th April 2016 and created by BAYSCAPE LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 26th April 2016 .

Given at Companies House, Cardiff on 27th April 2016

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATED 20th April 2016

- (1) **BAYSCAPE LIMITED**
as Chargor

- (2) **ICG LONGBOW DEVELOPMENT
DEBT LIMITED**
as Security Agent

SECURITY AGREEMENT



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THIS SECURITY AGREEMENT is made by way of deed on

20th April

2016

BETWEEN:

- (1) **BAYSCAPE LIMITED**, a limited liability company registered in England and Wales (registered number 06614776) with its registered address at Cardiff Marine Village, Penarth Road, Cardiff, CF11 8TU (the "**Chargor**"); and
- (2) **ICG LONGBOW DEVELOPMENT DEBT LIMITED** (as security trustee for and on behalf of itself and the other Finance Parties (the "**Security Agent**", which expression shall include all successor security trustees appointed from time to time)).

WHEREAS:

- (A) The Chargor enters into this Deed to secure the payment, performance and discharge of the Secured Liabilities (as defined below).
- (B) The Chargor's directors are satisfied that entering into and performing this Deed is in the best interests, and for the commercial purposes and corporate benefit, of the Chargor's business.
- (C) It is intended by the parties hereto that this document take effect as a deed notwithstanding the fact that the Security Agent may only execute this document under hand.

NOW THIS DEED WITNESSES AND IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Deed:

- | | |
|---------------------------|---|
| "Account Bank" | has the meaning given to it in the Facility Agreement; |
| "Act" | means the Law of Property Act 1925; |
| "Accounts" | has the meaning given to it in the Facility Agreement; and in each case includes: <ol style="list-style-type: none">(a) any account which is a successor to any of the General Account or any re-numbering or re-designation of such account; and(b) any account into which all or part of a balance is transferred for investment or administration purposes, each an " Account "; |
| "Authorisation" | means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration; |
| "Causes of Action" | means all causes of action (including for breach of warranty or representation) and other rights and remedies which the Chargor has or may have in relation to the Charged Assets including those against its professional and other advisers and contractors (including for the avoidance of doubt, any Development Party); |
| "Charged Assets" | means the assets and undertaking of the Chargor from time to time mortgaged, charged or assigned (or intended to be mortgaged, charged or assigned) by way of fixed and/or floating |

security or other Security under this Deed as security for the payment, performance or discharge of all or any part of the Secured Liabilities, and "**Charged Asset**" shall be construed accordingly;

- "Compensation Payment"** means monies paid or payable in connection with the Charged Assets by way of compensation, endowment, gift, grant or otherwise;
- "Default Rate"** means the rate of interest calculated in accordance with the default interest provisions contained in clause 8.4 (*Default Interest*) of the Facility Agreement except that references to the Borrower are to be construed as references to the Chargor;
- "Derivative Assets"** means all assets deriving from any of the Securities including all allotments, accretions, offers, rights, dividends, interest, income, distributions, benefits and advantages whatsoever at any time accruing, offered or arising in respect of or incidental to any of the Securities and all stocks, shares, rights, money or property accruing or offered at any time by way of conversion, redemption, bonus, preference, exchange, purchase, substitution, option, interest or otherwise in respect thereof;
- "Development Asset Management Agreement"** has the meaning given to it in the Facility Agreement;
- "Facility Agreement"** means the facility agreement dated on or about the date of this Deed between (1) the Chargor as borrower (2) ICG Alternative Investment Limited as arranger (3) ICG-Longbow UK Real Estate Development Debt L.P. as original lender (4) ICG Longbow Development Debt Limited as agent and (5) ICG Longbow Development Debt Limited as security trustee (as varied, amended, restated and/or amended from time to time);
- "Financial Collateral"** has the meaning ascribed to it in the Regulations;
- "Fixtures"** means all fixtures and fittings (including those of trade) and fixed plant and machinery on the Mortgaged Property in each case belonging to the Chargor;
- "General Account"** has the meaning given to it in the Facility Agreement;
- "Headlease"** means any headlease to which the Mortgaged Property or any part of it is subject from time to time;
- "Insurances"** means all contracts and policies of insurance taken out and/or maintained by or on behalf of the Chargor (or in which the Chargor has an interest) in respect of the Property and/or any other Security Assets including, without limitation, the Indemnity Policy, details of which are set out in part 3 of Schedule 2 (*Details of Security Assets*) of this Deed (or any replacement policy thereof);
- "Material Contract"** means:
- (a) each of the documents listed in part 2 of Schedule 2 (*Details of Security Assets*) of this Deed;
 - (b) the Development Asset Management Agreement;

- (c) each Development Document;
- (d) any Unit Disposal Document; and
- (e) any other document designated as such by the Security Agent and the Chargor from time to time;

including, in each case, any amendment or restatement thereof (however fundamental) or supplement thereto and any agreement extending the maturity thereunder, increasing any amount payable thereunder, changing the basis for calculation of a payment thereunder or introducing new or additional obligations thereunder (whether or not more onerous), and **"Material Contracts"** shall be construed accordingly;

"Mortgaged Property"	means all freehold, commonhold and leasehold property (including, where the context admits, the Premises) the subject of the security created by this Deed (including in particular the Property);
"Premises"	means any building or other edifice on or forming part of the Mortgaged Property or other Charged Asset;
"Property"	means the property specified in Schedule 1 (<i>Mortgaged Property</i>);
"Receiver"	means a receiver and manager or (if the Security Agent so specifies in the relevant appointment) a receiver, in either case, appointed under this Deed or pursuant to any statute, and shall include, if permitted by law, an administrative receiver or an administrator;
"Recovery Proceeds"	has the meaning given to that term in the Facility Agreement;
"Regulations"	means the Financial Collateral Arrangements (No.2) Regulations 2003;
"Secured Liabilities"	means all present and future obligations and liabilities (whether owed jointly or severally, whether incurred as principal or surety, whether or not in respect of indebtedness and whether present or future, actual or contingent) of the Chargor and each other Transaction Obligor to any Finance Party under or in connection with each Finance Document (including, without limitation, this Deed);
"Securities"	means all shares or other securities legally and/or beneficially owned from time to time by or on behalf of the Chargor in the share capital of any entity including, without limitation, those specified in part 1 of Schedule 2 (<i>Details of Security Assets</i>);
"Security FCA"	means a Security Financial Collateral Arrangement as defined in the Regulations;
"Security Period"	means the period beginning on the date of this Deed and ending on the date on which the Security Agent is satisfied that: <ul style="list-style-type: none"> (a) the Secured Liabilities have been irrevocably and unconditionally satisfied in full; and (b) no Finance Party has any further obligations (actual,

contingent, prospective or otherwise) under the Finance Documents; and

"1995 Act" means the Landlord and Tenant (Covenants) Act 1995.

1.2 Construction

1.2.1 Capitalised terms defined in the Facility Agreement have the same meaning when used in this Deed unless otherwise defined herein.

1.2.2 The provisions of clause 1.2 (*Construction*) of the Facility Agreement apply to this Deed as if they were set out in full in this Deed, except that references to the Agreement therein will be construed as references to this Deed.

1.2.3 Any reference in this Deed to a mortgage, charge or assignment of any asset or property shall be construed so as to include:

1.2.3.1 the proceeds of sale of any part of that asset or property, and any other monies paid or payable in respect of or in connection with that asset or property;

1.2.3.2 the benefit of any covenants for title given or entered into by any predecessor in title in respect of that asset or property and all other rights, benefits, claims, contracts, warranties, remedies, Security or indemnities in respect of that asset or property (including, in respect of the Mortgaged Property, under any Headlease); and

1.2.3.3 in respect of any Mortgaged Property, all Premises and Fixtures from time to time in or on that property.

1.2.4 Any reference in this Deed to any party or person includes any person deriving title from it or any permitted successor, transferee or assignee (whether immediate or derivative).

1.2.5 References in this Deed to Clauses and Schedules are references to the clauses of and schedules to this Deed, unless the context otherwise requires.

1.2.6 Pursuant to, and in accordance with, the definition of "**Security Document**" in the Facility Agreement, the parties hereto hereby agree and confirm that this Deed shall be a Finance Document for all purposes.

1.2.7 In this Deed:

1.2.7.1 statements referring to the Security Agent's capacity as security trustee for itself and the other Finance Parties; and

1.2.7.2 any statements referring to monies, obligations or liabilities owing to, or other rights, benefits or discretions granted or created under this Deed to, or covenants, undertakings or other agreements made in favour of, the Security Agent and/or the Finance Parties (as the case may be);

are by way of explanation or clarification only and shall not prejudice the meaning of "**Security Agent**" (or "**Finance Parties**", as the case may be) elsewhere in this Deed where such statements are not made.

1.2.8 If there is any conflict between any provisions of this Deed and the relevant provisions of the Facility Agreement, the relevant provisions of the Facility Agreement shall prevail.

1.2.9 Any reference to an Account or any other account, includes in each case any account which is a successor to that Account or other account on any renumbering or re-designation or replacement of such account and any account into which all or part of a balance is transferred for investment or administration purposes.

- 1.2.10 The fact that no, or incomplete, details of any properties or Securities or intellectual property assets, rights and interests are included in the relevant Schedule, does not affect the validity or enforceability of any Security constituted by this Deed.
- 1.2.11 "reasonable endeavours" includes payment by the relevant person of all its own costs, fees and expenses.
- 1.2.12 **"Secured Liabilities"** includes, without limitation:
- 1.2.12.1 any refinancing, further advances, novation, deferral, or extension of the facility under the Finance Documents;
 - 1.2.12.2 obligations and liabilities which any Finance Party may have acquired or may in the future acquire (whether by assignment, novation, transfer, purchase, security or otherwise);
 - 1.2.12.3 any claim for (a) breach of representation, warranty or undertaking or on any Event of Default or under any indemnity or (b) damages or restitution;
 - 1.2.12.4 obligations and liabilities which would be treated as such but for the liquidation, administration or dissolution of, or similar event affecting the Chargor, any other Transaction Obligor, or any other person, including without limitation:
 - 1.2.12.4.1 any claim as a result of any recovery by the Chargor or any other person of a payment on the grounds of preference or otherwise; and
 - 1.2.12.4.2 any amounts which would be included as Secured Liabilities but for any discharge, non-provability, unenforceability or non-allowance of those amounts in any such insolvency, dissolution or other proceedings.

1.3 **Avoidance**

If any amount paid by the Chargor or any other Transaction Obligor or any other person in connection with the satisfaction of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation, bankruptcy or administration (whether out of court or otherwise) of the Chargor or any other Transaction Obligor or any other person, as applicable, or otherwise, then (a) the security constituted by this Deed shall continue and (b) that amount shall not be considered to have been irrevocably paid for the purpose of this Deed.

1.4 **Disposition of Property**

The terms of the other Finance Documents and of any agreement, document or side letter between the parties thereto are incorporated into each Finance Document (including this Deed) to the extent required for any purported disposition of the Mortgaged Property or any part thereof and any other relevant Charged Asset 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.

2. **FIXED SECURITY**

2.1 **Charges**

The Chargor, as continuing security for the payment, performance and discharge of all the Secured Liabilities and in the manner specified in Clause 2.3:

- 2.1.1 charges in favour of the Security Agent (as security trustee for and on behalf of itself and other Finance Parties) by way of first legal mortgage:

- 2.1.1.1 all the property now belonging to it and specified in Schedule 1 (*Mortgaged Property*);
- 2.1.1.2 all other estates and interests in any freehold, commonhold or leasehold property now belonging to it;
- 2.1.1.3 the proceeds of sale of the Mortgaged Property; and
- 2.1.1.4 all licenses to enter upon or use the land and the benefits of all agreements relating to land;
- 2.1.2 to the extent not validly and effectively charged by way of first legal mortgage pursuant to Clause 2.1.1, charges in favour of the Security Agent (as security trustee for and on behalf of itself and the other Finance Parties) by way of a first fixed charge all its rights, title, benefit and interest (both present and future) in, to and under:
 - 2.1.2.1 all estates and interests in any freehold, commonhold or leasehold property now or in the future belonging to it;
 - 2.1.2.2 (to the extent not assigned pursuant to Clause 2.2.1) any agreement relating to the acquisition of the Mortgaged Property and the benefit of all agreements, contracts, deeds, undertakings, guarantees, warranties and other documents now or hereafter in existence in relation to the Mortgaged Property; and
 - 2.1.2.3 all plant and machinery now or in the future belonging to it and its interest in any plant or machinery in its possession and in all Fixtures;
- 2.1.3 charges in favour of the Security Agent (as security trustee for and on behalf of itself and the other Finance Parties) by way of a first fixed charge all its rights, title, benefit and interest (both present and future) in, to and under:
 - 2.1.3.1 (to the extent not assigned pursuant to Clause 2.2.1) all of its benefits, claims and returns of premiums in respect of the Insurances;
 - 2.1.3.2 (to the extent not assigned pursuant to Clause 2.2.1) its rights under any appointment of any managing agent and/or development asset manager of the Mortgaged Property or the Premises (including, without limitation, each Development Asset Management Agreement from time to time);
 - 2.1.3.3 (to the extent not assigned pursuant to Clause 2.2.1) all Recovery Proceeds;
 - 2.1.3.4 the General Account, all monies deposited in or standing to the credit of the General Account (together with any interest on such account), and the debts represented by such account;
 - 2.1.3.5 all monies deposited in or standing to the credit of any account opened and maintained in England and Wales from time to time (including without limitation the Accounts), and any tenant's or rent deposit accounts to the extent of the Chargor's interest therein and (notwithstanding that the existence of such an account may be in breach of this Deed or any other Finance Document) with any person and the debts represented by them;
 - 2.1.3.6 its goodwill and its uncalled capital;
 - 2.1.3.7 its book and other debts and monetary claims, both uncollected and collected, the proceeds of the same and all monies otherwise due and owing to it (including, for the avoidance of doubt, any loan(s) made to any Holding Company or any Subsidiary of any Holding Company);
 - 2.1.3.8 all rights, securities and guarantees of whatsoever nature enjoyed or held by it in relation to anything in Clause 2.1.3.7;

- 2.1.3.9 all permissions of whatsoever nature and whether statutory or otherwise, held in connection with the Mortgaged Property and the right to recover and receive all compensation which may be payable to it;
- 2.1.3.10 (to the extent not assigned pursuant to Clause 2.2.1 and to the extent not constituting a Material Contract) to the extent vested in it, of all building contracts, professionals' appointments, guarantees, warranties and representations given or made by any building contractors, professional advisers or any other person in relation to the Mortgaged Property, including all rights and remedies available to it against such persons, to the extent that all rights and documents are capable of being made subject of a fixed charge and are not otherwise the subject of any valid fixed charge pursuant to this Deed;
- 2.1.3.11 any patents, trade marks, copyrights, registered or other designs (including, without limitation, designs relating to any construction works on the Mortgaged Property) and any other intellectual property assets or rights;
- 2.1.3.12 each VAT refund payable by HMRC to the Chargor (together with all rights to claim such VAT refund and the proceeds of any judgement awarded in favour of the Chargor in relation to such VAT refund);
- 2.1.3.13 (to the fullest extent permitted at law) all rights in respect of the proceeds of any order of the court made pursuant to sections 238(3), 239(3) or 244 of the Insolvency Act 1986;
- 2.1.3.14 (to the extent not assigned pursuant to Clause 2.2.1) the benefit of all present and future Authorisations (statutory or otherwise) held in connection with the Chargor's business or the use of any Charged Asset and the right to recover and receive all compensation that may be payable to it in respect of them;
- 2.1.3.15 the Securities and the Derivative Assets (in each case whether held by it and/or any nominee or other person on its behalf);
- 2.1.3.16 (to the extent not assigned pursuant to Clause 2.2.1.11) each Material Contract, including all moneys payable to the Chargor and any claims, awards and judgments in favour of or receivable or received by the Chargor, under or in connection with or pursuant to the Material Contracts; and
- 2.1.3.17 all assets which are specified in Clause 2.2 and are not capable of assignment and not otherwise charged pursuant to this Clause 2.1.

2.2 Assignment

- 2.2.1 The Chargor, in the manner specified in Clause 2.3 of this Deed, assigns and agrees to assign to the Security Agent (as security trustee for and on behalf of itself and the other Finance Parties) absolutely, subject to re-assignment on the expiry of the Security Period in accordance with Clause 18, as continuing security for the payment, performance and discharge of the Secured Liabilities all of its right, title, benefit and interest (both present and future) in, to and under:
 - 2.2.1.1 all rental income (including, for the avoidance of doubt, all future rental income) and any guarantee of any such rental income in its favour contained in or relating to any Occupational Lease or otherwise;
 - 2.2.1.2 all Recovery Proceeds;
 - 2.2.1.3 all Occupational Leases of all or any part of the Mortgaged Property;
 - 2.2.1.4 all its rights (if any) under any Insurances relating to the Charged Assets to which the Chargor is otherwise entitled (including any claims or payments under, and returns of premiums in respect of, the Insurances);

2.2.1.5 all agreements, contracts, deeds, appointments, licences, undertakings, guarantees, covenants, warranties, representations and other documents (including all documents entered into now or in the future so as to enable the Security Agent (as security trustee for and on behalf of itself and the other Finance Parties) to perfect its rights under this Deed or any such agreement, contract, deed, licence, undertaking, guarantee, covenant, warranty, representation or other document) entered into by or given to the Chargor in respect of the Mortgaged Property (including, without limitation, each Development Asset Management Agreement) or any other Charged Assets including all:

2.2.1.5.1 claims, remedies, awards or judgements paid or payable to the Chargor (including, without limitation, all liquidated and ascertained damages payable to the Chargor under the above); and

2.2.1.5.2 guarantees, warranties, bonds and representations given or made by, and any rights or remedies against, any designer, builder, contractor, professional adviser, sub-contractor, manufacturer, supplier or installer of any Fixture;

in each case, relating to all or any part of the Mortgaged Property or such Charged Assets;

2.2.1.6 all licences held now or in the future in connection with the business carried on upon all or any part of the Mortgaged Property and also the right to recover and receive all compensation which may at any time become payable to the Chargor under the Licensing Act 1964 or any similar legislation;

2.2.1.7 all chattels hired, leased or rented by the Chargor to or from any person together in each case with the benefit of the related hiring, leasing or rental contract and any guarantee, indemnity or other Security for the performance of the obligations of any person under or in respect of such contract;

2.2.1.8 its benefits and interest in any loan(s) made to, or made available by, any Holding Company or any Subsidiary of any Holding Company);

2.2.1.9 all Causes of Action;

2.2.1.10 the benefit of any Compensation Payment; and

2.2.1.11 each Material Contract, (other than in respect of a Development Document to the extent that such security assignment of such Development Document would result in a reduction in the number of assignments permitted under such Development Document without first requiring the consent of the relevant counterparty to less than two) including all moneys payable to the Chargor and any claims, awards and judgments in favour of or receivable or received by the Chargor, under or in connection with or pursuant to the Material Contracts.

2.2.2 To the extent that any such right, title, benefit and interest described in Clause 2.2.1 is not assignable or capable of assignment, such assignment purported to be effected by Clause 2.2.1 shall operate, as continuing Security for the payment, discharge, performance and satisfaction of the Secured Liabilities, as an assignment of any and all proceeds of such right, title, benefit or interest paid or payable thereunder save for any proceeds or other amounts properly payable to any third party and to which the Chargor has no right, title, benefit or interest.

2.3 Title Guarantee

2.3.1 Every disposition effected by this Deed is made with full title guarantee.

2.3.2 The following provisions of the Law of Property (Miscellaneous Provisions) Act 1994 will not apply to Clauses 2.1, 2.2 or 3 (*Floating Charge*), being:

- 2.3.2.1 the words "other than any charges, encumbrances or rights which that person does not and would not reasonably be expected to know about" in section 3(1);
- 2.3.2.2 the words "except to the extent that" and all the words thereafter in section 3(2); and
- 2.3.2.3 section 6(2).

2.3.3 The other terms of this Deed do not limit or extend any of the covenants implied by virtue of Part 1 of the Law of Property (Miscellaneous Provisions) Act 1994 but create separate and independent obligations having effect cumulatively with those implied covenants.

3. FLOATING CHARGE

3.1 Creation

The Chargor as continuing security for the payment, performance and discharge of the Secured Liabilities and in the manner specified in Clause 2.3 of this Deed charges in favour of the Security Agent (as security trustee for and on behalf of itself and the other Finance Parties) by way of a first floating charge all its assets and undertaking not otherwise validly and effectively mortgaged or charged by way of legal or equitable mortgage, fixed charge or assignment (whether at law or in equity) by Clause 2 (*Fixed Security*).

3.2 Conversion by Notice

The Security Agent may by notice to the Chargor convert the floating charge created by this Deed into a fixed charge in relation to all or any of the assets of the Chargor (any of them) specified in the notice if:

- 3.2.1 the Security Agent has reasonable grounds for considering those assets to be in jeopardy, by legal process or otherwise;
- 3.2.2 an Event of Default has occurred and is continuing;
- 3.2.3 the Security Agent becomes aware or has reasonable grounds to believe that all or any of the Chargor's assets specified in the notice may be sold or otherwise disposed of (other than in accordance with the Finance Documents);
- 3.2.4 the Security Agent has reasonable grounds for considering that converting the floating charge created by this Deed into a fixed charge is necessary in order to protect the priority of its Security in relation to all or any of the Chargor's assets specified in the notice;
- 3.2.5 the Security Agent becomes aware or has reason to believe that steps have been taken which would, in the reasonable opinion of the Security Agent, be likely to lead to the making of an application to appoint an administrator (whether out of court or otherwise) in relation to the Chargor (or that such an application has been made, or that such an administrator has been appointed) or the making of a petition to wind up the Chargor (or that such a petition has been presented or that a liquidator has been appointed); and/or
- 3.2.6 formal steps have been taken to appoint an administrator of the Chargor (whether out of court or otherwise).

3.3 Automatic Conversion

- 3.3.1 The floating charge created by this Deed shall (in addition to the circumstances in which the same will occur under general law) automatically be converted (without notice) with immediate effect into a fixed charge over all the assets, rights and property of the Chargor on the convening of any meeting of the members of the Chargor to consider a resolution to wind up the Chargor (or not to wind up the Chargor) or on the convening of any meetings of the directors or members of the Chargor for the purposes of considering any resolution or application for putting the Chargor into administration (whether out of court or otherwise).

3.3.2 If:

- 3.3.2.1 the Chargor breaches or takes any steps with a view to breaching any provision of Clause 6.7 (*Restrictions on Dealings*) in respect of any of the Charged Assets which are subject to an uncrystallised floating charge under this Deed; and/or
- 3.3.2.2 any person levies or attempts to levy any distress, attachment, execution or other legal process against any such Charged Assets; and/or
- 3.3.2.3 any person presents or makes an application for a warrant of execution, writ of fieri facias, garnishee order or charging order in respect of any such Charged Assets;

then the floating charge created by this Deed over the Charged Assets to which the breach or step or levy or application relates shall (without prejudice to any law which may have a similar effect) automatically be converted (without notice) with immediate effect into a fixed charge over such assets as soon as that breach occurs or step is taken or levy or application is made.

3.4 **Qualifying Floating Charge**

Each floating charge created by this Deed is a **qualifying floating charge** for the purposes of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

3.5 **No Waiver**

The giving by the Security Agent of a notice pursuant to Clause 3.2 in relation to any class of the Chargor's assets, rights and property shall not be construed as a waiver or abandonment of the Security Agent's rights to give other similar notices in respect of any other class of assets or any of the rights of the Security Agent or any Finance Party under any Finance Document.

3.6 **Re-conversion**

The Security Agent may, at any time in its absolute discretion, by notice in writing to the Chargor, re-convert any charge which has crystallised under Clause 3.2 (*Conversion by notice*) or Clause 3.3 (*Automatic conversion*) into a floating charge in relation to the Security Assets specified in the notice.

4. PROVISIONS AS TO SECURITY4.1 **Perfection of Security**

The Chargor shall take such action as is available to it:

- 4.1.1 to create, perfect and protect the Security constituted or intended to be constituted under this Deed;
- 4.1.2 to maintain the Security constituted or intended to be constituted under this Deed;
- 4.1.3 to make all filings and registrations and to take all such other steps as may be necessary in connection with the creation, perfection or protection of the Security constituted or intended to be constituted under this Deed; and
- 4.1.4 procure that the relevant entity shall promptly register any transfer of title to the Securities pursuant to any enforcement by the Security Agent of its rights under this Deed.

4.2 **Deposit of Title Deeds**

The Chargor shall immediately upon the execution of this Deed (or upon coming into the possession of the Chargor at any time) deposit with the Security Agent (or procure that the Chargor's solicitors provide an acceptable undertaking to the Security Agent to hold to its

order) all deeds, certificates and other documents constituting or evidencing title to the Charged Assets.

5. REPRESENTATIONS AND WARRANTIES

5.1 Making of representations and warranties

The Chargor makes the representations and warranties set out in this Clause 5 to the Security Agent (as security trustee for and on behalf of itself and the other Finance Parties). The representations and warranties so set out are made on the date of this Deed and are deemed to be repeated by the Chargor throughout the Security Period on each day that representations or warranties are repeated under clause 17.26 (*Repetition*) of the Facility Agreement with reference to the facts and circumstances then existing.

5.2 Accounts

The Chargor is the sole legal and beneficial owner of the Accounts in its name and all monies deposited therein or standing to the credit thereof, each of which are free from any Security (other than pursuant to this Deed) and any other rights or interests in favour of third parties, other than the Security Agent.

5.3 Assigned agreements

All agreements, contracts, deeds, appointments, licences, undertakings, guarantees, covenants, warranties, representations and other documents assigned by the Chargor to the Security Agent pursuant to Clause 2.2 of this Deed are legal, valid, binding and (subject to the Legal Reservations) enforceable, and contain no prohibitions on assignment.

5.4 Material Contracts

5.4.1 All payments to the Chargor by any other party to a Material Contract are not subject to any right of set-off or similar right.

5.4.2 There is no prohibition on assignment or charging in any Material Contract.

5.4.3 There is no material breach, dispute, repudiation or disclaimer of liability under any Material contract.

5.4.4 No circumstances subsist whereby any Material Contract would be rendered or adjudged to be void, unenforceable or capable of rescission or revolution.

5.4.5 No Material Contract has been amended, extended, varied, released, surrendered, assigned, transferred, novated or terminated, nor has any breach of any provision thereof been waived, nor has any consent, waiver or approval been given, or discretion exercised, thereunder, in each case without the prior written consent of the Security Agent.

5.5 Stamp duty

No stamp or registration duty (other than registration fees payable at Companies House and/or the Land Registry) or similar tax or charge is payable in its jurisdiction of incorporation in respect of this Deed.

5.6 Securities and Derivative Assets

5.6.1 The Chargor is the sole, absolute legal and beneficial owner of its Securities and the Derivative Assets, that no person save the Chargor has any right or interest of any sort whatsoever in or to the Securities and the Derivative Assets and that there are no agreements or arrangements (including any restrictions on transfer or rights of pre-emption) affecting the Securities and the Derivative Assets in any way or which would or might in any way fetter or otherwise prejudice the rights of the Chargor or any mortgagee of the Securities and the Derivative Assets or any Receiver.

- 5.6.2 The Securities are duly authorised, validly issued and fully paid.
- 5.6.3 There are no covenants, agreements, conditions, interests, rights or other matters whatsoever which adversely affect the Securities.
- 5.6.4 There are no restrictions on the sale or transfer of all or any of the Securities under the articles of association or other constitutional or organisational documents of any person in which the Securities are held.

6. UNDERTAKINGS

6.1 Duration

The undertakings in this Clause 6 shall remain in force throughout the Security Period and are given by the Chargor to the Security Agent (as security trustee for and on behalf of itself and the other Finance Parties).

6.2 Book Debts/Receipts and rental income

- 6.2.1 The Chargor shall at its own cost take all action to diligently collect and realise (or procure to be collected and realised) in a proper and timely manner all its book and other debts and monetary claims and pay the proceeds thus realised in accordance with the Facility Agreement any rental income into such separate and denominated account as the Security Agent may designate from time to time and, pending payment into such account, shall hold the proceeds thus realised and all rental income upon trust for the Security Agent (as security trustee for and on behalf of itself and the other Finance Parties).

- 6.2.2 Without prejudice to Clause 6.7, the Chargor shall not, without the prior written consent of the Security Agent, release, exchange, compound, set-off or grant time or indulgence in respect of its book and other debts and monetary claims, or sell, factor, discount or otherwise deal with or dispose of them, unless otherwise permitted to do so by the terms of the Facility Agreement.

6.3 Notice to Tenants or Other Occupiers

The Chargor shall, at the direction of the Security Agent from time to time, give notice to each tenant or other occupier of the Mortgaged Property and any guarantor thereof substantially in the form specified in Schedule 3 and shall use its reasonable endeavours to procure that each recipient promptly acknowledges that notice in the form specified in Schedule 3.

6.4 Notice to Account Bank

- 6.4.1 The Chargor shall, at the direction of the Security Agent from time to time, give notice to any Account Bank or any other building society or other financial institution with whom any bank account of the Chargor is held substantially in the form specified in Schedule 4 and shall use reasonable endeavours to procure that such Account Bank, building society or other financial institution shall promptly acknowledge that notice in the form specified in Schedule 4.

- 6.4.2 Without prejudice to the foregoing, the Chargor shall, on the date of this Deed, provide the Security Agent with such notices in respect of each Account in England and Wales in existence on such date, and the Security Agent is hereby irrevocably and unconditionally authorised to forthwith complete and deliver the same to the relevant Account Bank.

- 6.4.3 In relation to the General Account only, the Security Agent shall not be entitled to give any notice or instruction or withdrawal or modification of permissions, referred to in the notice in Schedule 4, until an Event of Default has occurred and is continuing.

6.5 Notice to Insurers

- 6.5.1 The Chargor shall, at the direction of the Security Agent from time to time, give notice to any insurers substantially in the form specified in Schedule 5 and shall use its reasonable

endeavours to procure that each such insurer shall promptly acknowledge that notice in the form specified in Schedule 5.

- 6.5.2 Without prejudice to the foregoing, the Chargor shall, on the date of this Deed, provide the Security Agent with such notices in respect of each of the Insurances in existence on such date, and the Security Agent is hereby irrevocably and unconditionally authorised to forthwith complete and deliver the same to the relevant insurer(s).

6.6 Notice to Contract Counterparties

- 6.6.1 The Chargor shall, at the direction of the Security Agent give notice to each counterparty to each Material Contract substantially in the form specified in Schedule 6 and shall use its reasonable endeavours to procure that each such counterparty shall promptly acknowledges that notice substantially in the form specified in Schedule 6.

6.7 Restrictions on Dealings

The Chargor shall not save as otherwise expressly permitted by or consented to under the Finance Documents:

- 6.7.1 create or permit to subsist any Security of whatsoever nature or in relation to any Charged Asset other than any Security created by this Deed; nor
- 6.7.2 (whether by a single transaction or a number of related transactions, and whether at the same time or over a period of time) sell, transfer, novate, grant (including granting any option), declare a trust of, lease (other than the grant of a Lease Document in accordance with the Finance Documents), licence or otherwise dispose of (or purport to do any of the foregoing) any Charged Asset or any part thereof or permit the same to occur; nor
- 6.7.3 do or cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value to the Security Agent (as security trustee for and on behalf of itself and the other Finance Parties) of the Security constituted hereby and/or the value of the Charged Assets; nor
- 6.7.4 sell or otherwise dispose of any of its assets on terms whereby such asset is or may be leased to or re-acquired or acquired by it, or any other member of its group or sell or otherwise dispose of any of its receivables on recourse terms.

6.8 To comply with Laws relating to Charged Assets

The Chargor shall comply with all obligations under any law or statute and all byelaws and regulations relating to the whole or any part of the Charged Assets.

6.9 To provide information

The Chargor shall promptly provide to the Security Agent such information as the Security Agent may reasonably require about the Charged Assets and compliance by the Chargor with the terms of this Deed.

6.10 Covenant to perform

- 6.10.1 The Chargor shall at all times comply with the express terms of this Deed.

- 6.10.2 If the Chargor fails to perform any of its obligations under this Clause 6 then the Security Agent may take such steps as it considers appropriate to procure the performance of such obligations and shall not thereby be deemed to be a mortgagee in possession and the costs and expenses incurred by the Security Agent shall be reimbursed by the Chargor on demand and until so reimbursed shall carry interest (both before and after judgment, bankruptcy, liquidation or administration) at the Default Rate from the date of the same being incurred to the date of payment.

6.11 Accounts

- 6.11.1 The Chargor shall not, save as otherwise permitted by and subject to the terms of the Finance Documents, without the prior written consent of the Security Agent:
- 6.11.1.1 utilise, withdraw or otherwise transfer any monies (including interest) standing to the credit of any Account, other than in accordance with the Facility Agreement;
 - 6.11.1.2 release, grant time or indulgence or compound with any third party or suffer to arise any set off or other adverse rights against any of the right, title, benefit and interest of the Chargor whatsoever present and future in any monies (including interest) standing to the credit of any Account; nor
 - 6.11.1.3 do or omit to do anything which may delay or prejudice the right of the Finance Parties to utilise, withdraw or transfer any monies (including interest) standing to the credit of any Account in accordance with the provisions of this Deed.
- 6.11.2 The Chargor may (for so long as no Event of Default shall have occurred and be continuing) make withdrawals from the General Account in accordance with, and subject to the terms of the Facility Agreement and the other Finance Documents.

6.12 Securities

Deposit of Securities

- 6.12.1 The Chargor shall deposit with the Security Agent (as security trustee for and on behalf of itself and the other Finance Parties) on the date hereof and otherwise on coming into the possession or control of the Chargor:
- 6.12.1.1 all stock and share certificates and documents of title relating to the Securities;
 - 6.12.1.2 duly executed transfers or stock transfer forms in respect of the Securities with the name of the transferee, the date and the consideration left blank; and
 - 6.12.1.3 such other documents (including, without limitation, any declarations of trust in respect of any Securities which are not held in the Chargor's sole name) as the Security Agent may from time to time require for perfecting the title of the Security Agent to the Securities including any bonus or rights issue (duly executed by or signed on behalf of the registered holder) or for vesting or enabling the Security Agent to vest the same in itself or its nominees or in any purchaser;
- to the intent, in each such case, that the Security Agent may at any time, without notice, present them for registration.

Dealing with Securities

- 6.12.2 The Chargor shall not (and shall otherwise procure that the following shall not occur) (without the prior written consent of the Security Agent or except as expressly provided in the Facility Agreement):
- 6.12.2.1 permit any person other than the Chargor or the Security Agent (or the nominee or the agent of the Security Agent) to be registered as holder of the Securities or any part thereof;
 - 6.12.2.2 do or cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value to the Security Agent of the Securities and the Derivative Assets;
 - 6.12.2.3 take or permit the taking of any action which may result in: (a) the rights attaching to any of the Charged Assets being altered; (b) further shares in any

person in which the Securities are held being issued; and/or (c) any Securities being consolidated, sub-divided or converted;

- 6.12.2.4 amend the articles of association or other constitutional documents of any person in which the Securities are held;
 - 6.12.2.5 take or permit the taking of any action which results in the redomiciliation of any person in which the Securities are held to a jurisdiction other than England and Wales;
 - 6.12.2.6 register the transfer of any Securities to any person; nor
 - 6.12.2.7 raise any objection to the transfer of the Securities pursuant to the enforcement by the Security Agent of any of its rights under and in accordance with this Deed.
- 6.12.3 The Chargor hereby further covenants and agrees with the Security Agent (as security trustee for and on behalf of itself and the other Finance Parties) that:
- 6.12.3.1 the Security Agent may hold all or any of the Chargor's Securities in any branch of the Security Agent or with any correspondents or other agents whether in the United Kingdom or overseas and that all such Securities shall be held at the expense, risk and responsibility of the Chargor; and
 - 6.12.3.2 the Chargor shall provide to the Security Agent a copy of any report, accounts, circular or notice received in respect of or in connection with any of such Securities promptly following the receipt thereof by the Chargor.

Dividends and voting rights

- 6.12.4 The Security Agent (as security trustee for and on behalf of itself and the other Finance Parties) hereby agrees with the Chargor that until the occurrence of an Event of Default which is continuing the Chargor may exercise all voting rights and other rights and powers attached to the Securities provided that it does not exercise the same in any way which would be reasonably likely, in the opinion of any Finance Party, be prejudicial to the interests of any Finance Party under the Finance Documents or which varies the rights attaching to or conferred by the Securities in a way which could reasonably be expected to adversely affect the interests of any Finance Party.
- 6.12.5 On or at any time after the occurrence of an Event of Default which is continuing or after the Chargor has requested the appointment of a Receiver, or after the appointment of a Receiver:
- 6.12.5.1 the Security Agent may (in the name of the Chargor or otherwise and without any consent or authority on the part of the Chargor irrespective of any direction given by the Chargor) exercise or refrain from exercising all voting and other rights and powers which may be exercised by the person or persons in whose name or names any of the Securities are registered or who is the holder of any of them (including all the powers and discretions conferred on trustees by the Trustee Act 1925 and the Trustee Act 2000 except as otherwise expressly provided for in this Deed but provided that the duty of care set out in Section 1(1) of the Trustee Act 2000 shall not apply to any such power of investment (however conferred) by the Security Agent in respect of securities or property subject to a trust), and the Chargor hereby irrevocably authorises and appoints the Security Agent to exercise all such voting and other rights accordingly. (For the avoidance of doubt, in case of any conflict between the Trustee Act 2000 and the terms of this Deed, the terms of this Deed shall prevail, to the fullest extent permitted by law); and
 - 6.12.5.2 all Derivative Assets shall be paid without any set off or deduction whatsoever to the Security Agent.

- 6.12.6 The Chargor shall not nominate another person to enjoy or exercise all or any specified rights of the Chargor in relation to its Securities, as contemplated by section 145 of the Companies Act 2006 or otherwise.

Calls and other obligations

- 6.12.7 The Chargor shall promptly pay all calls, instalments or other payments due and payable in respect of any of the Securities and the Derivative Assets and if it fails to do so the Security Agent may pay the calls, instalments or other payments on behalf of the Chargor. The Chargor shall within 3 Business Days of demand reimburse the Security Agent for any payment made by the Security Agent pursuant to this Clause 6.12 together with interest (as well after as before judgement, liquidation, bankruptcy, winding up or administration (whether out of court or otherwise)) at the Default Rate of interest from the date of payment by the Security Agent up to and including the date of reimbursement by the Chargor.
- 6.12.8 Without limiting its obligations under the Facility Agreement the Chargor shall comply with all requests for information within its knowledge relating to the Securities which are made under section 793 of the Companies Act 2006 or which could be made under section 793 if the relevant company were a public limited company or under any similar provision contained in the articles of association or other constitutional documents of the relevant company relating to its Securities and Derivative Assets and, if it fails to do so, the Security Agent may provide such information as it may have on behalf of the Chargor.
- 6.12.9 The Chargor shall comply with all other conditions and obligations assumed by it in respect of any of the Securities and the Derivative Assets.
- 6.12.10 The Security Agent is not obliged to carry out any obligation of the Chargor in respect of the Securities and the Derivative Assets or to make any payment, or to make any enquiry as to the nature or sufficiency of any payment received by it or the Chargor, or to present or file any claim or take any other action to collect or enforce the payment of any amount to which it may have been or to which it may be entitled under this Deed.

7. WHEN SECURITY BECOMES ENFORCEABLE

The security constituted by this Deed shall become immediately enforceable and the power of sale and other powers conferred by section 101 of the Act, as varied or amended by this Deed, shall be immediately exercisable upon and at any time after the occurrence of any Event of Default which is continuing after which the Security Agent may in its absolute discretion enforce all or any part of the security in any manner it sees fit or in accordance with the provisions of the Finance Documents.

8. ENFORCEMENT OF SECURITY

8.1 General

- 8.1.1 For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due on the date of this Deed.
- 8.1.2 Section 103 of the Act (restricting the power of sale) and section 93 of the Act (restricting the right of consolidation) do not apply to the security constituted by this Deed.
- 8.1.3 The statutory powers of leasing conferred on the Security Agent are extended so that, without the need to comply with any provision of sections 99 or 100 of the Act, the Security Agent is empowered to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent may think fit.
- 8.1.4 The Chargor shall (at its own cost) forthwith upon the request of the Security Agent, appoint a second trustee or co-trustee (if there are not already two such trustees) (in each case approved by the Security Agent) of all or part of the Mortgaged Property or any other Charged Assets.

8.2 Right of Appropriation of Financial Collateral

To the extent that any of the Charged Assets constitute Financial Collateral and this Deed and the obligations of the Chargor under this Deed constitute a Security FCA, the Security Agent (as security trustee for and on behalf of itself and the other Finance Parties) shall have the right, at any time after the security constituted by this Deed has become enforceable, to appropriate all or any part of such Financial Collateral in or towards discharge of the Secured Liabilities. For this purpose, the parties agree that the value of such Financial Collateral shall be:

- 8.2.1 (in the case of cash) the amount standing to the credit of each bank account of the Chargor as the same may be secured hereunder pursuant to a Security FCA, together with any accrued but unpaid interest, at the time the right of appropriation is exercised; and
- 8.2.2 (in the case of Securities as the same may be secured hereunder pursuant to a Security FCA) the market price of such Securities determined by the Security Agent by reference to a public index or by such other process as the Security Agent may reasonably select (including independent valuation);

and, in each case, the parties hereby agree that the manner of valuation provided for in this Clause 8.2 shall constitute a commercially reasonable manner of valuation for the purposes of the Regulations. To the extent that any of the Charged Assets constitute Financial Collateral, the Chargor hereby agrees that such Charged Assets shall be held or re-designated so as to be under the control of the Security Agent for the purposes of the Regulations.

8.3 **No liability as mortgagee in possession**

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

8.4 **Privileges**

Each Receiver and the Security Agent is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers when such receivers have been duly appointed under the Act, except that section 103 of the Act does not apply.

8.5 **Protection of third parties**

No person (including a purchaser) dealing with the Security Agent or a Receiver or its or his agents need enquire:

- 8.5.1 whether the Secured Liabilities have become payable; or
- 8.5.2 whether any power which the Security Agent or that Receiver may purport to exercise has become exercisable or is being properly exercised; or
- 8.5.3 whether any money remains due under the Finance Documents; or
- 8.5.4 how any money paid to the Security Agent or to the Receiver is to be applied.

8.6 **Redemption of prior mortgages**

At any time after the security constituted by this Deed has become enforceable, the Security Agent may, at the sole cost and expense of the Chargor (payable to the Security Agent on demand):

- 8.6.1 redeem any prior form of Security on or relating to any Security Asset; and/or
- 8.6.2 procure the transfer of that form of Security to itself; and/or

- 8.6.3 settle and pass the accounts of any prior mortgagee, charge, security holder or encumbrancer which once so settled and passed shall be conclusive and binding on the Chargor.

The Chargor shall on demand pay to the Security Agent all principal monies and interest and all costs, expenses and losses incidental to any such redemption or transfer made pursuant to this Clause 8.6.

9. RECEIVER AND ADMINISTRATOR

9.1 Appointment of Receiver or Administrator

- 9.1.1 At any time after the security constituted by this Deed becomes enforceable, or at any time if the Chargor so requests the Security Agent in writing, the Security Agent may, without further notice, appoint in writing under seal or in writing under its hand any one or more persons to be a Receiver of all or any part of the Charged Assets as if the Security Agent had become entitled under the Act to exercise the power of sale conferred under the Act.

- 9.1.2 At any time after the security constituted by this Deed becomes enforceable, without further notice the Security Agent may appoint (or apply to the court to appoint) any one or more qualified persons to be an administrator of the Chargor.

- 9.1.3 In this Deed "qualified person" means a person who, under any applicable provision of the Insolvency Act 1986, is qualified to act as a receiver of the property of any company with respect to which he is appointed or as an administrative receiver or administrator of any such company.

- 9.1.4 Nothing in this Deed shall prejudice or limit any power, right or remedy available to an administrator at law.

9.2 Relationship with Security Agent

To the fullest extent permitted by law, any right, power or discretion conferred by this Deed (be it express or implied) or by law upon a Receiver, security holder or mortgagee of any Charged Asset may, after the security created by this Deed has become enforceable, be exercised by the Security Agent (as security trustee for and on behalf of itself and the other Finance Parties) in relation to any Charged Asset either:

- 9.2.1 without first appointing a Receiver; or
- 9.2.2 notwithstanding the appointment of a Receiver.

9.3 Agent of the Chargor

For all purposes each Receiver is deemed to be the agent of the Chargor and accordingly is deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. The Chargor alone shall be responsible for the Receiver's contracts, engagements, acts, commissions, omissions, defaults and losses and for liabilities incurred by him, and no Finance Party shall incur any liability of whatsoever nature (either to the Chargor or to any other person) by reason of the Security Agent making his appointment as a Receiver or for any other reason. The agency of the Receiver shall continue until the Chargor shall go into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Security Agent.

9.4 Removal

The Security Agent (as security trustee for and on behalf of itself and the other Finance Parties) may by writing under its hand (subject to any requirement for any order of the court in the case of an administrative receiver):

- 9.4.1 remove any Receiver appointed by it;

9.4.2 whenever it deems it expedient, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated; and

9.4.3 replace an administrator of the Chargor previously appointed by the Security Agent where there is a vacancy in such office.

9.5 **Remuneration**

The Security Agent may, subject to section 36 of the Insolvency Act 1986, fix the remuneration of any Receiver appointed by it without being limited to the maximum rate specified in section 109(6) of the Act.

10. **POWERS OF RECEIVER**

10.1 **General**

10.1.1 In addition to those conferred by the Act on any receiver appointed under the Act, each Receiver has, and is entitled to exercise, all of the rights, powers, remedies and discretions set out below in this Clause 10 and all other rights, powers, remedies and discretions conferred on any Receiver or the Security Agent elsewhere in this Deed.

10.1.2 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 individually and to the exclusion of any other Receivers.

10.1.3 Every Receiver for the time being holding office by virtue of an appointment made by the Security Agent under this Deed shall have all the rights, powers and discretions conferred by the Act, the Insolvency Act 1986 and otherwise by law and shall have all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986.

10.1.4 A Receiver may, in the name of the Chargor if he so wishes:

10.1.4.1 do all acts and things which he may consider expedient for realising any Charged Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or by law; and

10.1.4.2 exercise in relation to any Charged Asset all the powers, authorities and things which he would be capable of exercising as if he were its absolute beneficial owner (including, for the avoidance of doubt, the operation of any account (including, without limitation, any Account) in which the Chargor has any rights, title or interest (whether legal or beneficial)).

10.2 **Borrow Money**

A Receiver may raise and borrow money (either unsecured or on the security of any Charged 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.

10.3 **Carry on Business**

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

10.4 **Compromise**

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

10.5 **Delegation**

A Receiver may delegate his powers in accordance with Clause 13.

10.6 **Employees**

For the purposes of this Deed, a Receiver may:

10.6.1 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

10.6.2 discharge any such persons appointed by the Chargor.

10.7 **Leases**

A Receiver may let or licence any Charged Asset (or any part thereof) 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 Charged Asset on any terms which he thinks fit (including the payment of money to a lessee or tenant on a surrender).

10.8 **Legal Actions**

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any Charged Asset as he considers expedient.

10.9 **Possession**

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

10.10 **Protection of Assets**

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

10.10.1 make and effect all repairs, renewals, and improvements, and effect, renew or increase any insurances, and do all other acts which the Chargor might do in the ordinary conduct of its business be they for the protection or for the improvement of the Charged Assets;

10.10.2 commence and/or complete any building and/or reinstatement operations on the Mortgaged Property or other Charged Asset; and

10.10.3 apply for, obtain and maintain any planning permission, building regulation approval or any other permission, consent or licence.

10.11 **Receipts**

A Receiver may give valid receipts for all monies and execute all assurances and things which he may consider expedient for realising any Charged Asset.

10.12 **Sale of Assets**

A Receiver may sell, exchange, grant an option over, convert into money and realise, or otherwise dispose of any Charged Asset by public auction or private contract in any manner and on any terms which he thinks proper (including to any Subsidiary referred to below). The consideration for any such transaction may be nil, or may consist of cash, shares of profits or sums calculated by reference to profits or turnover, debentures 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 may be severed and sold or leased separately from the property containing them without the consent of the Chargor. Any such sale, exchange, grant, conversion, realisation or disposal may be on terms excluding or limiting liability of the Security Agent and/or the Receiver.

10.13 **Subsidiaries**

A Receiver may form a Subsidiary or Subsidiaries of the Chargor and transfer, lease, licence or otherwise dispose of to any such Subsidiary any Security Asset (or part thereof); and a Receiver may grant security over the assets of any such Subsidiary.

10.14 **Services**

A Receiver may provide, or procure the provision of, all services (including without limitation heating, lighting and cleansing) which may be deemed expedient in relation to the occupation or management of the Charged Assets.

10.15 **Contracts**

A Receiver may enter into, grant, perform, repudiate, rescind, terminate, vary, modify, assign, sub-let or novate any contract, agreement, option agreement, Occupational Lease, Headlease, licence, building contract, management agreement, development or construction contract, contractor's warranty, third party right, or professional appointment or otherwise for or which relates in any way to the Charged Assets.

10.16 **Landlord and Tenant**

A Receiver may make allowances to and rearrangements with any lessees, tenants or other persons from whom any rents and profits may be receivable and to exercise any powers and provisions conferred on a landlord or tenant (including without limitation any rights, powers and remedies of the Chargor (as tenant) under any Headlease, for the avoidance of doubt to the exclusion of the Chargor).

10.17 **Acquire Additional Property**

A Receiver may acquire or exchange any interest in any real or personal property which he may consider necessary or desirable to acquire in order to maintain or enhance the value of the Charged Assets or any part thereof and to grant or surrender easements, covenants and licences and to make exchanges and to enter into any agreements for the revision of boundaries.

10.18 **Rent Reviews**

A Receiver may implement, negotiate and agree rent reviews in such manner and upon such terms as the Receiver deems appropriate.

10.19 **Covenants, Guarantees and Indemnities**

A Receiver may enter into bonds, covenants, guarantees, commitments, indemnities and other obligations or liabilities as he thinks fit and make all payments needed to effect, maintain or satisfy such obligations and liabilities.

10.20 **VAT**

A Receiver may make such elections for VAT purposes as the Receiver in his absolute discretion thinks fit.

10.21 **Oppose Petitions and Applications**

A Receiver may take proceedings or any other step as it considers fit to oppose:

10.21.1 any petition to place the Chargor into liquidation, or provisional liquidation or an application for the appointment of an administrator (whether out of court or otherwise); or

10.21.2 the taking of any step or procedure under any other analogous insolvency or bankruptcy laws in any other jurisdiction in relation to the Chargor or any of its assets.

10.22 **Administrative costs**

A Receiver may pay the proper administrative charges of the Security Agent or any Finance Party in respect of time spent by their agents and employees in dealing with matters raised by the Receiver, or relating to the receivership of the Chargor or any Charged Assets.

10.23 **Insurance**

A Receiver may, in each case as he sees fit, negotiate, liaise or agree any matters with the landlord of the Mortgaged Property and/or the insurer(s) of any Mortgaged Property in respect of, and/or take any step or action in connection with:

- 10.23.1 the application of any insurance proceeds;
- 10.23.2 the reinstatement of the Mortgaged Property; and/or
- 10.23.3 any matters or actions ancillary thereto;

and shall have and may exercise (or refrain from exercising) all rights, powers and remedies of the Chargor (as tenant) under any Headlease, for the avoidance of doubt to the exclusion of the Chargor.

10.24 **Securities**

A Receiver may exercise all voting and other rights attaching to the Securities and the Derivative Assets.

10.25 **Intellectual property rights**

A Receiver may take all steps necessary to effect all registrations, renewals, applications and notifications, as the Receiver may in his discretion think prudent to maintain in force, or protect, the Chargor's intellectual property rights.

10.26 **Appoint Co-trustee**

A Receiver may appoint a second trustee or co-trustee of all or any part of the Charged Assets.

11. **APPLICATION OF PROCEEDS**

- 11.1 Subject to Clause 11.4, all amounts received or recovered by the Security Agent (as security trustee for and on behalf of itself and the other Finance Parties), any Receiver or any administrator after this Deed has become enforceable, or in connection with the realisation or enforcement of all or any part of this Deed (for the purposes of this Clause 11, the "**Recoveries**"), shall be applied (and the parties hereto shall direct or request any administrator to apply such monies) in the following order of priority (but without prejudice to the right of the Security Agent (as security trustee for and on behalf of itself and the other Finance Parties) to recover any shortfall from the Chargor):

- 11.1.1 in discharging any sums (including remuneration) owing to the Security Agent, any Receiver or any Delegate;
- 11.1.2 in payment of all costs and expenses incurred by the Agent, the Security Agent or any other Finance Party in connection with any realisation or enforcement of the Transaction Security taken in accordance with the terms of this Deed, the Facility Agreement and the other Finance Documents;
- 11.1.3 in payment to the Agent for application in payment of, or provision for, the Secured Liabilities in accordance with clause 28.5 (*Partial payments*) of the Facility Agreement; and
- 11.1.4 (upon termination of the Security Period) in payment of the surplus (if any) to the Chargor or other person entitled to it.

- 11.2 Clause 11.1 overrides any appropriation made by the Chargor.

- 11.3 Clause 11.1 is subject to the claims of any person having at law prior rights thereto, and is by way of variation of the provisions of the Act.
- 11.4 The Security Agent may, in its discretion, hold any amount of the Recoveries in an interest bearing suspense or impersonal account(s) in the name of the Security Agent with such financial institution (including itself) and for so long as the Security Agent shall think fit (the interest being credited to the relevant account) for later application under Clause 11.1 in respect of:
- 11.4.1 any sum to the Security Agent, any Receiver or any Delegate; and
- 11.4.2 any part of the Secured Liabilities;
- that the Security Agent reasonably considers, in each case, might become due or owing at any time in the future.

12. EXPENSES AND INDEMNITY

- 12.1 The Chargor shall, at its own expense, within five Business Days of demand, pay to the Security Agent and every Receiver or Delegate (a "**Relevant Person**") the amount of all costs and expenses (including legal fees, valuers' fees, and consulting and other professional fees) incurred by that Relevant Person in connection with the enforcement of, or the preservation of any rights under, this Deed or the security constituted hereby and with any proceedings instituted by or against that Relevant Person as a consequence of it entering into this Deed, taking or holding the security constituted hereby, or enforcing those rights.
- 12.2 The Chargor shall promptly indemnify each Relevant Person against any cost, loss or liability incurred by any of them as a result of:
- 12.2.1.1 any failure by the Chargor to comply with its obligations under Clause 12.1;
- 12.2.1.2 the taking, holding, protection or enforcement of the security constituted by this Deed;
- 12.2.1.3 the exercise of any of the rights, powers, discretions, authorities and remedies vested in the Security Agent and/or each Receiver and Delegate by this Deed or by law;
- 12.2.1.4 any default by the Chargor in the performance of any of the obligations expressed to be assumed by it in this Deed;
- 12.2.1.5 acting as Security Agent, Receiver or Delegate (as the case may be) under this Deed or which otherwise relates to any of the Security Property constituted by or in connection with this Deed (otherwise, in each case, than by reason of the Relevant Person's gross negligence or wilful misconduct).
- 12.3 The Chargor shall pay interest at the Default Rate on the sums payable under this Clause 12 from the date on which the liability was incurred to the date of actual payment (both before and after judgement).
- 12.4 Each Relevant Person may, in priority to any payment to the Finance Parties, indemnify itself out of the Charged Assets in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this Clause 12 and shall have a lien on the Security Assets and the proceeds of the enforcement of the Charged Assets for all moneys payable to it.

13. DELEGATION

The Security Agent and any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by the Security Agent or any Receiver under this Deed. Any such delegation may be made upon the terms (including power to sub delegate) and subject to any regulations which the Security Agent or such

Receiver (as the case may be) may think fit. Neither the Security Agent nor any Receiver will be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any such delegate or sub delegate. References in this Deed to a Receiver or Security Agent shall be deemed to include delegates appointed in accordance with this Clause 13.

14. FURTHER ASSURANCES

14.1 The Chargor shall promptly and in any event within 3 Business Days do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may specify (and in such form as the Security Agent may require in favour of the Security Agent or its nominee(s));

14.1.1 to create, perfect, protect and maintain the Security created or intended to be created under or evidenced by this Deed (which may include the execution or re-execution of a mortgage, charge, assignment or other Security over all or any of the Charged Assets or for the exercise of any rights, powers and remedies of the Security Agent or a Receiver provided by or pursuant to this Deed or by law);

14.1.2 to confer on the Security Agent, or confer on the Finance Parties, Security over any property and assets of it located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Security Documents; and/or

14.1.3 (if an Event of Default is continuing) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Transaction Security.

14.2 The Chargor shall, at its own expense, 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.

14.3 The Chargor shall use all reasonable endeavours to obtain (in form and substance satisfactory to the Security Agent) as soon as possible any Authorisations necessary to enable the assets of the Chargor to be the subject of the valid and enforceable Security intended to be created by this Deed, and immediately on the obtaining of such Authorisation the asset concerned shall become subject to such Security. The Chargor shall promptly deliver a copy of such Authorisation to the Security Agent.

14.4 The obligations of the Chargor under this Clause 14 shall be in addition to and not in substitution for (a) the covenants for further assurance deemed to be included herein by virtue of section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 and (b) Clause 17.4.4 (*Land*).

15. POWER OF ATTORNEY

15.1 The Chargor by way of security hereby irrevocably appoints the following, namely:

15.1.1 the Security Agent;

15.1.2 each and every person to whom the Security Agent shall from time to time have delegated the exercise of the power of attorney conferred by this Clause;

15.1.3 any Receiver appointed hereunder and for the time being holding office as such; and

15.1.4 any administrator of the Chargor;

jointly and also severally to be its attorney or attorneys with full power of substitution and in its name and otherwise on its behalf, at any time after the occurrence of an Event of Default which is continuing, to do all acts and things and to sign, seal, execute, deliver, perfect and do all deeds, instruments, documents, acts and things which may be necessary for:

- (a) carrying out any obligation imposed on the Chargor by or pursuant to this Deed (including, but not limited to, the obligations of the Chargor under Clause 14 (*Further Assurances*) and the statutory covenant referred to in such Clause);
- (b) carrying out any sale, lease or other dealing by the Security Agent, its delegates, any Receiver or any administrator into effect;
- (c) conveying or transferring any legal estate or other interest in land or transferring ownership or title in any other Charged Assets or other property or assets or otherwise howsoever;
- (d) the purposes of the Security Agent or such Receiver or any administrator appointing a second trustee or co-trustee under the Trusts of Land and Appointment of Trustees Act 1996 of all or part of the Charged Assets;
- (e) getting in the Charged Assets (if applicable); and
- (f) generally for enabling the Security Agent, its delegates, any Receiver and any administrator to exercise the respective powers conferred on them by or pursuant to this Deed or by law.

15.2 The Security Agent shall have full power to delegate the power conferred on it by this Clause, but no such delegation shall preclude the subsequent exercise of such power by the Security Agent itself or preclude the Security Agent from making a subsequent delegation thereof to some other person; any such delegation may be revoked by the Security Agent at any time.

15.3 The power of attorney hereby granted is as regards the Security Agent, its delegates, any Receiver and any administrator (and as the Chargor hereby acknowledges) granted irrevocably and for value as part of the security constituted by this Deed to secure proprietary interests in and the performance of obligations owed to the respective donees within the meaning of the Powers of Attorney Act 1971.

15.4 The Chargor hereby ratifies and confirms, and agrees to ratify and confirm, whatever any such attorney shall do or purport to do in the exercise or purported exercise of the power of attorney contained in this Clause 15.

16. PRESERVATION OF RIGHTS

16.1 Additional Security

The security constituted by this Deed is in addition to and not in substitution for, and is not in any way to be merged into or in any way excluded or prejudiced by (nor shall it prejudice), any other security, guarantee or indemnity now or subsequently held by the Security Agent or any Finance Party for any of the Secured Liabilities or any other amount due by the Chargor or any Transaction Obligor to the Security Agent or any Finance Party.

16.2 Continuing Security

The security constituted by this Deed is continuing and shall extend to the ultimate balance of all the Secured Liabilities, regardless of any intermediate payment, performance or discharge in whole or in part, and shall continue in full force and effect until the end of the Security Period.

16.3 Reinstatement

16.3.1 If any payment by the Chargor or any other person or any release, discharge or arrangement given by the Security Agent or a Finance Party (whether in respect of the obligations of the Chargor, any other Transaction Obligor or any other person, or any security for those obligations or otherwise) is avoided or reduced or must be restored as a result of liquidation, administration, bankruptcy or insolvency or any similar event, or otherwise howsoever (in each case whether in whole or part):

16.3.1.1 the liability of the Chargor shall continue or be reinstated as if the payment, discharge, avoidance, reduction or restoration had not occurred; and

16.3.1.2 each Finance Party shall be entitled to recover the value or amount of that security or payment from the Chargor, as if the payment, discharge, avoidance, reduction or restoration had not occurred;

and any liability under this Clause 16.3 shall be secured by this Deed.

16.3.2 The Finance Parties may freely concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

16.4 **Waiver of Defences**

The obligations of the Chargor under this Deed, the security constituted by this Deed, and the rights, powers and remedies of the Security Agent and the Finance Parties hereunder or at law, shall in each case not be discharged, impaired or otherwise affected by (without limitation, and whether or not known to the Chargor or any Finance Party):

16.4.1 any time, indulgence, waiver (in whole or in part, and howsoever fundamental) or consent granted to, or composition with the Chargor, any other Transaction Obligor or any other person;

16.4.2 any delay or forbearance by any Finance Party in exercising its rights or remedies under any Finance Document;

16.4.3 the release of the Chargor, any other Transaction Obligor, or any other person under the terms of any composition, compromise or arrangement with any creditor of the Chargor or any other person;

16.4.4 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Chargor, any other Transaction Obligor or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

16.4.5 any incapacity, disability, or lack of power, authority or legal personality of or dissolution or change in the members, constitution, identity, control, function or status of the Chargor, any other Transaction Obligor or any other person;

16.4.6 any amendment, novation, supplement, extension (whether of maturity or otherwise howsoever) or restatement (in each case, however fundamental and of whatsoever nature and whether or not more onerous) or replacement of a Finance Document or any other document or security;

16.4.7 any change in the constitution or identity of the Finance Parties or the Security Agent, including (without limitation): (a) the absorption or amalgamation by or of any Finance Party or the Security Agent with any person; (b) the acquisition of all or part of the any Finance Party or the Security Agent's undertaking or assets by any other person; (c) any reconstruction or reorganisation of any Finance Party or the Security Agent of any kind; or (d) any assignment, transfer, novation, participation or other disposal (whether in whole or part) of any Finance Party's rights and/or obligations under the Finance Documents or any of them;

16.4.8 any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security, to the intent that the Chargor's obligations under this Deed shall remain in full force, as if there were no such unenforceability, illegality or invalidity;

16.4.9 any postponement, discharge, reduction, non-provability or other similar circumstance affecting any obligation of any other person under or in connection with any Finance Document or any other document or security resulting from any insolvency, liquidation,

administration, bankruptcy, or dissolution proceedings or similar proceedings or from any law, regulation or order so that each such obligation shall for the purposes of the Chargor's obligations under this Deed be construed as if there were no such circumstance;

- 16.4.10 any other act, omission, matter or thing (whether or not known to the Chargor or any Finance Party) which, but for this Clause 16.4, might reduce, release, diminish, discharge, impair, prejudice or otherwise affect the obligations of the Chargor under this Deed, the security constituted by this Deed, and/or the rights, powers and remedies conferred upon the Security Agent and the Finance Parties by any Finance Document or at law.

16.5 **Confirmations**

Without prejudice to the generality of Clause 16.4 (*Waiver of Defences*), the Chargor hereby expressly confirms that it intends that the Security constituted by (or intended to be constituted by) this Deed shall extend from time to time to any (however fundamental and whether or not more onerous) variation, increase, extension or addition to or of any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purpose of or in connection with (without limitation) any of the following:

- 16.5.1 business or property acquisitions of any nature;
- 16.5.2 increasing working capital;
- 16.5.3 enabling investor distributions to be made;
- 16.5.4 carrying out restructurings;
- 16.5.5 refinancing any other indebtedness;
- 16.5.6 making existing or additional facilities available to existing or new borrowers;
- 16.5.7 increasing or decreasing any facility or increasing or decreasing the period for which any facility is available, or in which it or the Secured Liabilities are payable;
- 16.5.8 the changing of the identity of any party or parties (including, without limitation, the identity of the providers of any security, guarantees or indemnities);
- 16.5.9 any other variation or extension of the purposes for which any such facility or amount might be available from time to time;
- 16.5.10 any other variation, renewal, payment, compromise, discharge, extension or release, in whole or in part, of any Finance Document or any modifications to the terms thereof; and/or
- 16.5.11 any fees, costs and/or expenses (including, without limitation, legal, accountancy, consultancy, and/or valuation expenses) associated with any of the foregoing.

16.6 **Immediate recourse**

- 16.6.1 The Chargor waives and abandons any rights it may at any time have of first requiring the Security Agent or any Finance Party to:

- 16.6.1.1 proceed against, or claim or demand payment from, any person; or
- 16.6.1.2 enforce any other rights or security, guarantees or indemnities; or
- 16.6.1.3 take any action or obtain judgment in any court against any person; or
- 16.6.1.4 require that any person be made a party to any proceedings against the Chargor; or
- 16.6.1.5 have recourse first to any assets of any person; or

16.6.1.6 file any proof or claim in any insolvency, administration, bankruptcy, liquidation or similar proceedings relating to any other person;

in each case before claiming from, or proceeding or taking any such action against or in respect of, the Chargor under this Deed.

16.6.2 The waivers contained in Clause 16.6.1 apply irrespective of any law or any provision in any Finance Document to the contrary.

16.6.3 For the avoidance of doubt, the Chargor shall be bound by this Deed whether or not made a party to any legal or other proceedings against any Transaction Obligor or any other person for the recovery of any monies in respect of the Secured Liabilities and whether or not any formalities at any time required by the laws of England and Wales with regard to the rights or obligations of sureties shall or shall not have been observed.

16.7 Appropriations

During the Security Period each Finance Party (or any trustee or agent on its behalf) may:

16.7.1 refrain from applying or enforcing any other monies, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Chargor shall not be entitled to the benefit of the same; and

16.7.2 hold in a suspense account any monies received from the Chargor or on account of the Chargor's liability under this Deed.

16.8 Non-competition

16.8.1 During the Security Period, the Chargor shall not (unless the Security Agent otherwise directs, in which case it shall), after a demand or claim has been made or by virtue of any payment, performance or discharge by it under this Deed or any other Finance Document:

16.8.1.1 take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights, guarantees, security or monies held, received or receivable by any Finance Party (or any trustee or agent on its behalf), nor exercise any other rights or remedies which the Chargor may have in respect thereof;

16.8.1.2 be entitled to any right of contribution or indemnity from the Chargor or any Transaction Obligor, or any other person in respect of any payment made or monies received on account of the Chargor's liability under this Deed or the other Finance Documents;

16.8.1.3 claim, rank, prove or vote as a creditor of the Chargor or any Transaction Obligor, or any other person or its estate, or in any liquidation or administration or similar proceedings, in each case in competition with any Finance Party (or any trustee or agent on its behalf);

16.8.1.4 bring any legal or other proceedings for an order requiring the Chargor or any Transaction Obligor, or any other person to make any payment, or perform any obligation, in respect of which the Chargor has given any guarantee, undertaking or indemnity under the Finance Documents; nor

16.8.1.5 receive, claim or have the benefit of any payment, distribution or security from or on account of the Chargor or any Transaction Obligor, or any other person, or exercise any right of set-off or counterclaim as against any such person.

16.8.2 The Chargor shall hold in trust for, and forthwith pay or transfer to, the Security Agent for the Finance Parties any payment, distribution, contribution or benefit received by it either

contrary to Clause 16.8.1 or as a result of a direction of the Security Agent under Clause 16.8.1.

16.9 Voluntary arrangements

Without prejudice to any Finance Party's rights to recover such sums as a secured creditor under any Finance Document, on the approval of any voluntary arrangement in respect of any Transaction Obligor (or the implementation of any compromise or scheme of arrangement or any analogous procedure to any of the foregoing in any other jurisdiction) under which any Transaction Obligor's obligations to the Finance Parties are compromised in any way, the Chargor shall as principal obligor be liable to the Finance Parties for, and hereby undertakes to the Finance Parties (as a separate and additional covenant) within 3 Business Days of demand from time to time to pay to the Finance Parties, amounts equal to the sums that would have been payable to the Finance Parties by any Transaction Obligor, or any guarantor of any Transaction Obligor, had such compromise not occurred, and so that payment shall be made by the Chargor to the Finance Parties under this Clause 16.9 in the amounts and at the times at which but for the said compromise any Transaction Obligor would have been obliged to make payment to the Finance Parties. The Chargor's liability under this Clause 16.9 shall, without prejudice to the generality of Clause 16.4 (*Waiver of defences*), not be affected in any way by the Finance Parties voting in favour of (if the Finance Parties choose to do so) any voluntary arrangement, compromise, scheme of arrangement or analogous procedure proposed by or in respect of the Company.

17. MISCELLANEOUS

17.1 Covenant to Pay

17.1.1 The Chargor covenants with and undertakes to the Security Agent (as security trustee for and on behalf of itself and the other Finance Parties) that it shall on demand pay, perform or discharge all the Secured Liabilities on the due date or dates therefor.

17.1.2 The Chargor covenants with and undertakes to the Security Agent (as security trustee for and on behalf of itself and the other Finance Parties) to pay interest on the Secured Liabilities (to the extent not otherwise charged pursuant to the Facility Agreement) on demand until full discharge (whether before or after judgement, liquidation, winding-up, bankruptcy, or administration (whether out of court or otherwise)), such interest to accrue from day to day (on the basis of a 365 day year) calculated at the Default Rate of interest. The Security Agent may compound interest if it is not paid when due.

17.2 The Land Registry

The Chargor shall, at the direction of the Security Agent, promptly apply on Form RX1 to the Land Registry (and the Chargor hereby consents to any such application being made by the Security Agent) for a restriction in the following terms to be entered on the registers of each title of any such property registered at the Land Registry in its name and against which this Deed may be noted (including, without limitation, the Mortgaged Property):

"No disposition [or specify details] of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [date] in favour of [Security Agent] referred to in the charges register or his conveyancer."

17.3 Tacking

The obligation (if any) on the part of the Lenders to make further advances to the Chargor under the Facility Agreement is deemed to be incorporated in this Deed as if set out in this Deed. The Chargor shall promptly apply on form CH2 (and the Chargor hereby consents to any such application being made by the Security Agent) to the Land Registry for a note of such obligation to be entered on the registers of each title of all present and future registered freehold, commonhold and leasehold property of the Chargor (including, without limitation, the Mortgaged Property).

17.4 Land

17.4.1 If the title to any of the Mortgaged Property at any time is not registered at the Land Registry, the Chargor shall ensure that no person other than the Chargor shall be registered under the Land Registration Act 2002 or otherwise as the proprietor of all or any part of such Mortgaged Property without the prior consent in writing of the Security Agent.

17.4.2 In the case of the title to any of the Mortgaged Property which is not registered at the Land Registry (including, in particular, any unregistered Mortgaged Property subject to compulsory first registration at the Land Registry under the provisions of the Land Registration Act 2002 as at the date of this Deed), the Chargor shall promptly:

17.4.2.1 apply on Form FR1 for the first registration of the title to such property at the Land Registry or on Form CM1 in the case of any such Mortgaged Property to be registered at the Land Registry as commonhold property;

17.4.2.2 apply on Form RX1 for a restriction against such title in the form set out in Clause 17.2 of this Deed (as applicable);

17.4.2.3 make an application on Form CH2 pursuant to Clause 17.3 of this Deed; and

17.4.2.4 pending such applications, (unless the Security Agent otherwise directs) register this Deed in respect of such property at the Land Charges Registry pursuant to the Land Charges Act 1972;

and the Chargor hereby consents, in each such case, to any such application being made by the Security Agent.

17.4.3 Whether or not the title to the Mortgaged Property is registered at the Land Registry, in the event that any caution against first registration or any notice (whether agreed or unilateral) is registered against the title to all or any part of the Mortgaged Property, the Chargor shall immediately provide the Security Agent with full particulars of the circumstances relating to such registration or notice and if such caution or notice shall have been registered in order to protect a purported interest the creation of which is not permitted under this Deed and/or the Finance Documents, the Chargor shall immediately and at the Chargor's expense take such steps as the Security Agent may require to ensure that the caution or notice (as applicable) is withdrawn or cancelled.

17.4.4 In relation to any freehold, commonhold or leasehold or other interest in property acquired by or on behalf of the Chargor on or after the date of this Deed, the Chargor shall (at its own expense):

17.4.4.1 notify the Security Agent immediately upon the occurrence of such acquisition (and for the purposes of this Clause 17.4.4.1 the date of exchange of contracts for such an acquisition shall be deemed the date of acquisition);

17.4.4.2 where the title to any such property is registered at the Land Registry, within the applicable priority period apply to be registered as the proprietor of the registered estate acquired in relation to such property (and the Chargor hereby consents to any application that the Security Agent may require to be made to the Land Registry for the registration of an agreed notice on Form AN1 against the relevant registered title at the Land Registry for the protection of the Security constituted by this Deed);

17.4.4.3 where the title to any such property is not registered at the Land Registry, promptly comply with its obligations contained in Clauses 17.4.1 to 17.4.2 (*Land*) of this Deed in respect of such property;

17.4.4.4 where the title to any such property represents the transfer of either part of a commonhold unit or part of the common parts of land registered as a freehold estate in commonhold land under the Commonhold and Leasehold Reform Act 2002, also procure that the application to register the transfer is accompanied

by an application on Form CM3 to register the commonhold community statement and/or the memorandum and articles of association (as amended in relation to the transfer as required by Rule 15 or, as appropriate, Rule 16 of the Commonhold (Land Registration) Rules 2004);

- 17.4.4.5 at its cost, in any such case, execute and deliver to the Security, on demand, a legal mortgage (in substantially the same terms as this Deed, but to include such representations and undertakings, or such amendments, as the Security Agent may reasonably require) in favour of the Security Agent in respect of such freehold, commonhold or leasehold or other interest in property; and
- 17.4.4.6 in any event, give the Land Registry written notice of this Deed and procure that notice of it be duly noted in the registers to each title of any such property in accordance with the provisions of this Deed;
- 17.4.4.7 and, in any such case, shall promptly and in any event within five Business Days after the completion of any such registration provide the Security Agent with a copy of the relevant Title Information Document issued by the Land Registry recording such registration(s) within the applicable priority period.

17.5 **New Accounts**

If the Security Agent or any other Finance Parties receives, or is deemed to be affected by, notice, whether actual or constructive, of any subsequent charge or other interest affecting any Charged Asset and/or the proceeds of sale of any Security Asset, the Security Agent or the relevant Finance Party (as the case may be) may open a new account in the name of the Chargor. If the Security Agent or the relevant Finance Party (as the case may be) does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice. As from that time all payments made to the Security Agent or the relevant Finance Party (as the case may be) will be credited or be treated as having been credited to the new account and will not operate to reduce any amount for which this Deed is security.

17.6 **Certificates and Determinations**

Any certification or determination by the Security Agent of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

17.7 **Stamp duties**

The Chargor shall pay, and within three Business Days of demand indemnify, the Security Agent against any cost, loss or liability it incurs in relation to all stamp duty, SDLT, registration and/or other similar taxes payable in respect of this Deed from time to time, and any performance or enforcement of it.

17.8 **Collateral Security**

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

17.9 **Suspense Accounts**

All monies received, recovered or realised by the Security Agent under this Deed (including the proceeds of any conversion of currency) may in the discretion of the Security Agent be credited to an interest bearing suspense or impersonal account(s) in the name of the Security Agent with such financial institution (including itself) for so long as the Security Agent shall think fit (the interest being credited to the relevant account) pending the application from time to time of those monies in the Security Agent's discretion in

accordance with the provisions of Clause 11 (*Application of proceeds*) (and save as expressly provided herein the Chargor will not be entitled to withdraw any amount at any time standing to the credit of any suspense or impersonal account referred to above).

17.10 **Exercise of Powers**

Any liberty or power which may be exercised or any determination which may be made under this Deed by the Security Agent or any Receiver may, in respect of the Transaction Obligors, be exercised or made at his absolute and unfettered discretion without any obligation to give reasons for doing so.

17.11 **Trustee Provisions**

17.11.1 The Security Agent shall hold the Security Property constituted by or in connection with this Deed, including:

17.11.1.1 the benefit of this Deed;

17.11.1.2 the Security constituted by this Deed, including the proceeds thereof; and

17.11.1.3 all representations, undertakings, rights, title, interests, monies and other assets contained in, constituted by or received or recovered by the Security Agent under or in connection with, this Deed;

in each case in trust for the benefit of the Finance Parties on the terms and subject to the conditions set out in this Deed and the Finance Documents.

17.11.2 The replacement, resignation or retirement of the person for the time being acting as Security Agent, and the appointment of any successor, shall in no way prejudice: (a) the Security created or intended to be created by the Security Documents (including this Deed); (b) the obligations of the Transaction Obligors (including the Chargor) under the Finance Documents (including this Deed); (c) the rights, powers and remedies of the Security Agent and/or the other Finance Parties under the Finance Documents (including this Deed); nor (d) the trust established pursuant to this Deed and the other Finance Documents.

17.12 **Constitutional Documents**

The Chargor hereby certifies that its creation by this Deed of security in favour of the Security Agent (as security trustee for and on behalf of itself and the other Finance Parties) does not contravene any of the provisions of its constitutional or organisational documents.

17.13 **Assignment**

17.13.1 The Chargor may not assign, transfer, novate or otherwise dispose of, or declare any trust of, any of its rights and/or obligations under this Deed. This Deed shall be binding on the successors, transferees or assigns of the Chargor.

17.13.2 The Security Agent may at any time assign, transfer, novate, charge or otherwise dispose of all or any of its rights and benefits under this Deed to any person to whom any Finance party may assign, transfer, charge or otherwise dispose of all or any part of its rights and benefits under the Facility Agreement. The Security Agent may at any time resign or retire as Security Agent in accordance with the terms of the Facility Agreement (and the appointment of any successor or replacement shall be governed by the terms of the Facility Agreement).

17.14 **Partial Invalidity**

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

17.15 **Remedies, waivers, amendments and consents**

17.15.1 No failure on nor any delay in exercising, on the part of any Finance Party (including the Security Agent) or any Receiver, any right, remedy, power or discretion under this Deed (a "Right") shall operate as a waiver of any such Right or constitute an election to affirm this Deed. No single or partial exercise of any Right shall prevent any further or other exercise of any other Right. The Rights provided in this Deed are cumulative and not exclusive of any rights, remedies, powers or discretions provided by law.

17.15.2 Any provision of this Deed may be amended, supplemented or novated only if the Security Agent agrees in writing, in accordance with Clause 33 (*Amendments and Waivers*) of the Facility Agreement. Any waiver of, and any consent or approval by the Security Agent under, any provision of this Deed shall not be effective unless it is in writing, and may be given subject to any conditions thought fit by the Security Agent, may be withdrawn or modified at any time, and shall be effective only in the instance, and for the purpose, for which it is given.

17.16 **Delivery**

The signature or sealing of this Deed by or on behalf of a party shall constitute an authority to the solicitors, or an agent or employee of the solicitors, acting for that party in connection with this Deed, and, in the case of the Chargor, the Security Agent's solicitors to date it and to deliver it as a deed on behalf of that party.

17.17 **Set-off**

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

17.17.2 Without prejudice to Clause 17.17.1 above, and to Clause 8.2 (*Right of Appropriation of Financial Collateral*), upon the security constituted by this Deed becoming enforceable, the Security Agent may, without notice or further demand, withdraw, apply, transfer, appropriate, or set-off any or all of the monies standing to the credit of the Accounts in or towards payment or other satisfaction of the Secured Liabilities in accordance with Clause 11 (*Application of Proceeds*).

17.18 **Perpetuity**

The perpetuity period applicable to the trusts constituted by this Deed shall (if relevant) be 125 years.

18. **RELEASE AND RE-ASSIGNMENT**

Upon the expiry of the Security Period (or earlier only in the Lender's absolute discretion), and subject to Clauses 1.3 and 16.3, the Security Agent shall, at the request and cost of the Chargors, take whatever action is necessary to release and/or reassign (without recourse or warranty) the applicable Charged Assets from the security constituted by this Deed.

19. **NOTICES**

19.1 **Communications in writing**

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

19.2 **Addresses**

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each party to this Deed for any communication or document to be made or delivered under or in connection with this Deed is that identified

with its name below in the execution block or any substitute address or fax number or department or officer as a party to this Deed may notify to the other party by not less than five Business Days' notice.

19.3 **Delivery**

19.3.1 Subject to Clause 19.5, any communication or document made or delivered under or in connection with this Deed will only be effective:

19.3.1.1 if by way of fax, when received in legible form; or

19.3.1.2 if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address;

and, if a particular department or officer is specified as part of its address details provided under Clause 19.3, if addressed to that department or officer.

19.3.2 Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is expressly marked for the attention of the department or officer identified with the Security Agent's signature below in the execution block (or any substitute department or officer as the Security Agent shall specify for this purpose).

19.3.3 Any communication or document which becomes effective, in accordance with Clauses 19.3.1 and 19.3.2, after 5:00 p.m. in the place of receipt shall be deemed only to become effective on the next following Business Day.

19.4 **Electronic communication**

19.4.1 Any communication to be made between the parties to this Deed under or in connection with this Deed may be made by electronic mail or other electronic means to the extent the parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication and if the parties:

19.4.1.1 notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

19.4.1.2 notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.

19.4.2 Any electronic communication made between the parties to this Deed will be effective only when actually received in readable form and in the case of any electronic communication made by a Chargor to the Security Agent only if it is addressed in such a manner as the Security Agent shall specify for this purpose.

19.4.3 Any electronic communication which becomes effective, in accordance with Clause 19.4.2, after 5:00 p.m. in the place of receipt shall be deemed only to become effective on the next following Business Day.

19.5 **Proof of service on the Chargor**

In proving service of a notice, communication or other document on the Chargor it shall be sufficient to prove that either:

19.5.1 the envelope containing such notice was addressed to the address of the Chargor as set out in the execution block below and either:

19.5.1.1 delivered to or left at that address; or

- 19.5.1.2 delivered into the custody of the postal authorities as a prepaid first class letter; or
- 19.5.2 the notice was transmitted by facsimile to the fax number of the Chargor set out in the execution block below.

19.6 English language

Any notice or other document given under or in connection with this Deed must be in English.

20. COUNTERPARTS

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

21. GOVERNING LAW

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

22. ENFORCEMENT

22.1 Jurisdiction

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

22.1.2 The parties to this Deed agree that the courts of England and Wales are the most appropriate and convenient courts to settle Disputes and accordingly no party to this Deed will argue to the contrary.

22.1.3 This Clause 22.1 is for the benefit of the Security Agent and the Finance Parties only. As a result, no Finance Party (including the Security Agent) shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent (and the Finance Parties) may take concurrent proceedings in any number of jurisdictions.

22.1.4 The Chargor hereby irrevocably and unconditionally:

22.1.4.1 waives any objection to the jurisdiction of the English courts dealing with (and agrees not to raise or claim immunity from) any proceedings for such enforcement of this Deed (and shall ensure that no such claim is made on its behalf);

22.1.4.2 consents to the issue of any process, or the giving of any relief, in connection with those proceedings;

22.1.4.3 waives all immunity from suit, attachment and/or execution, that it or its assets may now or in the future have; and

22.1.4.4 expressly consents to and acknowledges the terms of this Clause 22.1.

23. THIRD PARTY RIGHTS

23.1 Nothing in this Deed is intended to confer on any person any right to enforce any provision of this Deed which that person would not have had but for the Contracts (Rights of Third Parties) Act 1999, save as set out in Clause 23.2 below.

23.2 Any Receiver appointed by the Security Agent, any Relevant Person (including, without limitation, any Finance Party) and any lawful delegate or sub-delegate of the Security Agent or Receiver may take the benefit of:

23.2.1 any covenant or provision in this Deed by which the Chargor is expressed to give an undertaking or indemnity to, or to release or waive any claim against, that person; and/or

23.2.2 any covenant or provision of this Deed which confers, or purports to confer, any power, right, remedy or benefit upon that person;

provided that:

23.2.1 until the Secured Liabilities have been discharged in full, no such person may exercise or otherwise enforce any such right without the prior written consent of the Security Agent; and

23.2.2 notwithstanding such rights, this Deed may be restated, varied amended, supplemented, or substituted in any respect by the Security Agent and the Chargor whether to remove such rights in whole or in part or otherwise whatsoever or novated, or assigned, released or discharged by the Security Agent without, in any such case, notice to or consent from any such person.

IN WITNESS of which this document has been duly executed and delivered as a deed by each of the parties on the day and the year first stated above.

SCHEDULE 1 – MORTGAGED PROPERTY

Property Description	Tenure	Title Number
Land at Ely Tidal Harbour, Ferry Road, Cardiff, CF11 0LY	Freehold	CYM53304
Land adjoining Cambrian Marine boatyard site, Watkiss Way, Grangetown, Cardiff as comprised in a Transfer dated 18 January 2016 and made between (1) The County Council of the City and County of Cardiff and (2) Bayscape Limited.	Freehold	Part of title numbers WA971216, CYM7575 and CYM7594 Land Registry allocated title number CYM671620

SCHEDULE 2 – DETAILS OF SECURITY ASSETS

Part 1 - Securities

None as at the date of this Deed.

Part 2 – Material Contracts

Document	Date	Parties
Sale Contract	18 January 2016	(1) Cardiff County Council and (2) Bayscape Limited

Part 3- Insurances

Policy number	Insurer	Other details (including policy holder)
44590	Zurich Insurance PLC	Indemnity Policy – Mines and Minerals Rights Policy (Bayscape Limited)

SCHEDULE 3 – FORM OF NOTICE TO OCCUPATIONAL TENANT/GUARANTORS*[On Headed Notepaper of Chargor]*To: *[Name and address of tenant]*

[Date]

Dear Sirs

Re: **[Address of Mortgaged Property]**

Security agreement (the "Security Agreement") dated 2016 between Bayscape Limited (the "Chargor") and [security agent](as security trustee for and on behalf of itself and the other Finance Parties (as defined therein)) (the "Security Agent")

- (1) We refer to the lease dated [♦] and made between [the Chargor/applicable landlord] (1), [applicable tenant] (2) [and applicable guarantor (3)] (the "**Lease**").
- (2) This letter constitutes notice to you that under the Security Agreement:
 - (i) we charged (by way of first legal mortgage and/or fixed charge) and/or assigned (by way of security) all our right, title, benefit and interest (both present and future) in, to and under the Lease; and
 - (ii) we assigned (by way of security) all our right, title, benefit and interest (both present and future) in, to and under the monies from time to time due to the Chargor arising from the Lease;

to the Security Agent (as security trustee for and on behalf of itself and the other Finance Parties), upon the terms set out in the Security Agreement.
- (3) We irrevocably and unconditionally instruct and authorise you (notwithstanding any previous instructions which we or any managing agent or asset manager on our behalf may have given to the contrary), until you receive notice from the Security Agent to the contrary, to pay all rents and other monies payable by you under the Lease to the [Chargor's account (at its branch at [])] (Account Number []; Sort Code []), or to such other account as the Security Agent may from time to time direct in writing, unless and until you receive a notice from the Security Agent to such effect, to pay all rents and other monies payable by you under the Lease to such account as the Security Agent may from time to time direct in writing.
- (4) Please note that:
 - (i) we shall remain liable to you to perform all obligations assumed by us under the Lease, and the Security Agent, its agents and/or delegates, any receiver or any other similar person is under no obligation of any kind whatsoever thereunder; and
 - (ii) we may not agree to amend, surrender or waive the terms of, or assign our interest in, or give any licence, consent or approval under the Lease, in each case without the prior written consent of the Security Agent or as permitted under the Finance Documents (as defined in the Security Agreement).

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.

This letter (and any non-contractual obligations arising out of or in connection with it) are governed by English law, and is subject to the exclusive jurisdiction of the English courts.

Please acknowledge receipt of this letter, and confirm your agreement to the above, by signing the attached form of acknowledgement and returning it to the Security Agent [42 Wigmore Street, London W1U 2RY] for the attention of: [Adam Hayner].

Yours faithfully

.....
For and on behalf of
[Chargor]

FORM OF ACKNOWLEDGEMENT FROM OCCUPATIONAL TENANT/GUARANTOR

To: ICG Longbow Development Debt Limited (as security trustee for and on behalf of itself and the other Finance Parties)
[42 Wigmore Street
London
W1U 2RY]

For the attention of: [Adam Hayner]

Date: 2016

Dear Sirs

Re: [Address of Mortgaged Property]

Security agreement (the "Security Agreement") dated 2016 between [chargor] (the "Chargor") and [security agent] (as security trustee for and on behalf of itself and the other Finance Parties (as defined therein)) (the " Security Agent")

We acknowledge receipt from the Chargor of a notice dated 2016 (the "Notice") in relation to the Lease.

Words and expressions defined in the Notice shall bear the same respective meanings when used herein.

We accept the instructions and authorisations contained in the Notice.

We acknowledge and confirm that:

- (a) as at the date of this Acknowledgement, we have not received any notice that any third party has or will have any right or interest in, or has made or will be making any claim or demand or taking any action in respect of the rights of the Chargor under or in respect of the Lease;
- (b) we shall pay all rents and all other monies payable by us under the Lease as directed in the Notice and we shall continue to pay those monies as so directed until we receive your written instructions to the contrary (and shall thereafter pay all such monies to such account as you may direct in writing); and
- (c) the Chargor may not agree to amend, surrender or waive the terms of, or assign or transfer its interest in, or give any licence, consent or approval under, the Lease without your prior written consent or as permitted under the Finance Documents (as defined in the Security Agreement).

This letter (and any non-contractual obligations arising out of or in connection with it) /are governed by English law, and is subject to the exclusive jurisdiction of the English courts.

Yours faithfully

.....
For and on behalf of
[Tenant/Guarantor]

SCHEDULE 4 – FORM OF NOTICE TO ACCOUNT BANK

To: [Account Bank]

Attention: [●]

[Date]

Dear Sirs,

We refer to the account[s] opened with you by us and numbered [] (the "Accounts").

We hereby give you notice that pursuant to a security agreement (the "**Security Agreement**") dated [] 2016 made between ourselves and [] (the "**Security Agent**") we have, with full title guarantee, charged to the Security Agent all of our interests in all monies from time to time standing to the credit of the Accounts and interest earned thereon and the debts represented thereby (the "**Deposited Monies**") and all our right, title, benefit and interest whatsoever present and future therein and in the Accounts together with any certificates of deposit, deposit receipts or other instruments or securities relating thereto.

We irrevocably and unconditionally instruct and authorise you with immediate effect (and notwithstanding any instructions we may have given to the contrary):

1. to disclose to the Security Agent without need for any reference to or further authority from us and without any inquiry by you as to the justification for such disclosure, such information relating to the Accounts as the Security Agent may, at any time and from time to time, request you to disclose to it;
2. to hold the Accounts and the benefit thereof to the order of the Security Agent;
3. at any time and from time to time upon receipt by you of instructions in writing from the Security Agent to release to the Security Agent the Deposited Monies or part thereof to act in accordance with such instructions, without any reference to or further authority from us and without inquiry by you as to the justification for such instructions or the validity of them;
4. to comply with the terms of any written notice, statement or instructions in any way relating to or purporting to relate to the Accounts and/or the Deposited Monies, or any of the same, which you receive at any time and from time to time from the Security Agent without any reference to or further authority from us and without any enquiry by you as to the justification for such notice, statement or instructions or the validity thereof;
5. in relation to the account numbered [●] (the "**General Account**") at any time and from time to time upon receipt of notice from the Security Agent that the security has become enforceable, not to act upon our instructions with regard to the General Account and/or the Deposited Monies in respect of the General Account without the prior written consent of the Security Agent, and upon receipt of such notice from the Security Agent to arrange for the Security Agent to be the sole signatory of the General Account.

The instructions and authorisations which are contained in this letter shall remain in full force and effect until the Security Agent gives you notice in writing revoking them.

This letter (and any non-contractual obligations arising out of or in connection with it) shall be governed by and construed in accordance with the laws of England and Wales, and is subject to the exclusive jurisdiction of the English courts.

Please acknowledge receipt of this letter, and confirm your agreement to the above, by signing the attached form of acknowledgement and returning it to the Security Agent at [42 Wigmore Street, London W1U 2RY] for the attention of: [Adam Hayner].

.....
Authorised Signatory
For and on behalf of
[Chargor]

FORM OF ACKNOWLEDGEMENT FROM THE ACCOUNT BANK

To: [ICG Longbow Development Debt Limited (as security trustee for and on behalf of itself and the other Finance Parties)
42 Wigmore Street
London
W1U 2RY]

For the attention of: [Adam Hayner]

Dear Sirs

Security agreement (the "Security Agreement") dated 2016 between Bayscape Limited (the "Chargor") and ICG Longbow Development Debt Limited (the "Security Agent")

We hereby acknowledge receipt of a notice (the "Notice") dated [] 2016 and addressed to us by Bayscape Limited (the "Chargor") regarding the Accounts defined in the Notice, and we accept the instructions and authorisations contained in the Notice and we undertake to act in accordance and comply with the terms of the Notice. We acknowledge and confirm that:

1. we do not have, and will not (without your prior written consent) make or exercise, any security interests, claims or demands, or any rights of consolidation, counterclaim, or set-off, or any other equities against the Chargor in respect of the Accounts and/or the Deposited Monies (as defined in the Notice) and/or the debts represented thereby, or any part of any of it or them except in respect of our usual administrative fees and charges in relation to accounts of the type in question;
2. we have not, as at the date of this acknowledgement, received any notice that any third party has or will have any right or interest whatsoever in or has made or will be making any claim or demand or taking any action whatsoever against the Accounts and/or the Deposited Monies and/or the debts represented thereby, or any part of any of it or them;
3. upon receipt of notice from the you to such effect, we shall not permit any withdrawals or payments from the General Account by the Chargor or at its direction without your prior written consent; and
4. we shall forthwith on your demand pay out of the Accounts to you, or as you may direct, the lesser of (i) the amount so demanded and (ii) the balance (including accrued interest to the date of demand, without deduction of any kind) then standing to the credit of the Accounts.

We undertake that, in the event of our becoming aware at any time that any person or entity other than yourselves or the Chargor has or will have any right or interest whatsoever in or has or will be making any claim or demand or taking any action whatsoever against the Accounts and/or the Deposited Monies and/or the debt represented thereby, or any of them, we will promptly give written notice of the terms of such right or interest claim or demand or action to both yourselves and the Chargor.

We have made the acknowledgement and confirmations and have given the undertakings set out in this letter in the knowledge that they are required by you in connection with the security which has been constituted by the Chargor in your favour under the Security Agreement referred to in the Notice.

This letter (and any non-contractual obligations arising out of or in connection with it) shall be governed by and construed in accordance with the laws of England, and is subject to the exclusive jurisdiction of the English courts.

Yours faithfully

.....
Authorised signatory

For and on behalf of

[*Account Bank*]

SCHEDULE 5 – FORM OF NOTICE TO INSURERS

[On Headed Notepaper of Chargor]

To: [Name of insurers]

[Date]

Dear Sirs

Re: **Insurance Policy in respect of [Address of Mortgaged Property]**

Security agreement (the "Security Agreement") dated 2016 between Bayscape Limited (the "Chargor") and ICG Longbow Development Debt Limited (as security trustee for and on behalf of itself and the other Finance Parties (as defined therein)) (the "Security Agent")

- (1) We refer to [insert details of Policy, including policy no.] (and any policy relating to the renewal or replacement of such policy) (the "**Policy**").
- (2) This letter constitutes notice to you that pursuant to the Security Agreement we assigned (by way of security) and/or charged all our right, title, benefit and interest (both present and future) in, to and under the Policy and all claims and monies from time to time due to the Chargor arising from the Policy, in favour of the Security Agent (as security trustee for and on behalf of itself and the other Finance Parties).
- (3) We confirm that we shall remain liable to you to perform all obligations assumed by us under the Policy, and the Security Agent, its agents and delegates, any receiver and any similar person is under no obligation of any kind whatsoever under the Policy.
- (4) We irrevocably and unconditionally instruct and authorise you (notwithstanding any previous instructions which we may have given to the contrary):
 - (i) to continue to give notices under the Policy to us (save as set out below), unless and until you receive notice from the Security Agent to the contrary stating that the security has become enforceable. In this event, any notices must be given to, and all sums due from you under the Policy must be paid to, and all the rights, benefits, interest and remedies under the Policy (or at law or in equity) will be exercisable by, the Security Agent or as it may from time to time direct in writing;
 - (ii) to disclose to the Security Agent without further reference to or authority from us and without enquiry by you as to the justification of such disclosure, such information relating to the Policy as the Security Agent may request you to disclose;
 - (iii) to comply with the terms of any written notice, statement or instructions which you receive at any time from the Security Agent relating to the Policy; and
 - (iv) promptly to notify the Security Agent of any claim being made under the Policy.
- (5) Please note that we may not agree to amend or waive the terms of, or assign or transfer our interest in, or give any consent or approval under the Policy, in each case without the prior written consent of the Security Agent.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.

Please copy any communication regarding this Notice or the Policy to the Security Agent at 42 Wigmore Street, London W1U 2RY (FAO: Adam Hayner).

This letter (and any non-contractual obligations arising out of or in connection with it) are governed by English law, and is subject to the exclusive jurisdiction of the English courts.

Please acknowledge receipt of this letter, and confirm your agreement to the above, by signing the attached form of acknowledgement and returning it to the Security Agent at [42 Wigmore Street, London W1U 2RY for the attention of Adam Hayner].

Yours faithfully

.....
For and on behalf of

[Chargor]

FORM OF ACKNOWLEDGEMENT FROM INSURERS

To: [ICG Longbow Development Debt Limited (as security trustee for and on behalf of itself and the other Finance Parties)
42 Wigmore Street
London
W1U 2RY]

For the attention of: Adam Hayner

Date: 2016

Dear Sirs

Re: Insurance Policy in respect of *[Address of Mortgaged Property]*

Security agreement (the "Security Agreement") dated 2016 between Bayscape Limited (the "Chargor") and ICG Longbow Development Debt Limited (as security trustee for and on behalf of the other Finance Parties (as defined therein)) (the "Security Agent")

We acknowledge receipt from the Chargor of a notice dated [] 2016 (the "Notice") in relation to the Policy (as defined in the Notice).

We accept the instructions and authorisations contained in the Notice, and confirm that we shall pay all sums due, and give notices, under the Policy as directed in the Notice.

We have not, as at the date of this acknowledgement, received any notice that any third party has or will have any right or interest whatsoever in or has made or will be making any claim or demand or taking any action whatsoever in respect of the Policy or any proceeds thereof.

We hereby confirm that the following endorsements have been made on the Policy:

- (a) the Security Agent is noted as composite insured and first loss payee on the Policy in respect of insurance claim payments in excess of £100,000 (plus VAT) otherwise payable to any Chargor;
- (b) the Policy shall not be invalidated or prejudiced so far as the Security Agent is concerned by misrepresentation or non-disclosure on the part of the Chargor or any other person nor by any breach of the insuring conditions or any other any act or omission unknown to or beyond the control of the Security Agent on the part of the Chargor or any other person;
- (c) we will not: (i) cancel the Policy; (ii) allow the same to elapse; or (iii) agree to any increase of any excess thereunder, other material amendment thereto or material reduction in cover thereto without first giving the Security Agent not less than thirty days' prior notice (specifying the action necessary to avoid the same); and
- (d) that no breach or default on the part of the Chargor of any terms of the Policy 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.

We unconditionally and irrevocably waive all rights of set-off, lien, combination of accounts and similar rights (however designated or described) which we may have now or in the future to the extent the same relate to amounts owed to us by the Chargor (and the proceeds thereof) and we will send you copies of all statements, orders and notices given by us relating to such debts.

This letter (and any non-contractual obligations arising out of or in connection with it) are governed by English law, and is subject to the exclusive jurisdiction of the English courts.

Yours faithfully

.....
Authorised Signatory

For and on behalf of
[Insurer]

SCHEDULE 6 - FORM OF NOTICE TO CONTRACT COUNTERPARTIES

[On Headed Notepaper of Chargor]

[Date]

[Contract Counterparty]

Dear Sirs

Re: [Describe agreement]

- (1) We refer to the [contract] dated [♦] 2016 and made between [] (1) and [Contract Counterparty] (2) (the "**Agreement**")
- (2) We, Bayscape Limited (the "**Chargor**"), give you notice that by a security agreement (the "**Security Agreement**") dated [♦] 2016 between the Chargor (1) and ICG Longbow Development Debt Limited (the "**Security Agent**") as security trustee for itself and each of the other Finance Parties (as defined in the Security Agreement) (2) we [assigned (by way of security)] [[and/or] charged] all our right, title and interest in and to the Agreement and the monies from time to time due to the Chargor arising from that Agreement to the Security Agent upon the terms set out in the Security Agreement.
- (3) We irrevocably and unconditionally instruct and authorise you (notwithstanding any previous instructions which we may have given to the contrary):
 - (i) if you receive notice from the Security Agent at any time that the security has become enforceable, to pay all sums payable by you under the Agreement to such account as the Security Agent may direct;
 - (ii) to disclose to the Security Agent without further reference to or authority from us and without enquiry by you as to the justification of such disclosure, such information relating to the Agreement as the Security Agent may request you to disclose; and
 - (iii) to comply with the terms of any written notice, statement or instructions which you receive at any time from the Security Agent relating to the Agreement.
- (4) Please note that:
 - (i) we shall remain liable to you to perform all obligations assumed by us under the Agreement, and the Security Agent, its agents and/or delegates, any receiver or any other similar person is under no obligation of any kind whatsoever thereunder; and
 - (ii) we may not agree to amend or waive the terms of, or assign or transfer our interest in, or give any consent or approval under the Agreement, in each case without the prior written consent of the Security Agent.
- (5) Save as noted above, we will remain entitled to exercise all our rights, powers and discretions under the Agreement, and you should continue to give notices under the Agreement to us, unless and until you receive notice from the Security Agent to the contrary. In this event, all the rights, powers, remedies and discretions (including, without limitation, any right to compel performance of the Agreement) will be exercisable by (or at the direction of), and notices must be given to, the Security Agent or as it directs.
- (6) This letter (and any non-contractual obligations arising out of or in connection with it) are governed by English law, and is subject to the exclusive jurisdiction of the English courts.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.

Please acknowledge receipt of this letter, and confirm your agreement to the above, by signing the attached form of acknowledgement and returning it to the Security Agent at 42 Wigmore Street, London W1U 2RY for the attention of: Adam Hayner.

Yours faithfully

.....
For and on behalf of
[Chargor]

FORM OF ACKNOWLEDGEMENT FROM CONTRACT COUNTERPARTIES

Date:

To: [ICG Longbow Development Debt Limited (as security trustee for and on behalf of itself and the other Finance Parties)
42 Wigmore Street
London
W1U 2RY]

For the attention of: [Adam Hayner]

Dear Sirs

Re: [insert Agreement]

We acknowledge receipt of a notice (the "**Notice**") dated [●] 2016 and addressed to us by Bayscape Limited (the "**Chargor**") regarding the Agreement (as defined in the Notice) mentioned in such Notice and we accept the instructions and authorisations contained in, and agree to comply with the terms of, such Notice.

We acknowledge and confirm that:

- [(a) (notwithstanding any terms of the Agreement to the contrary) we hereby consent to the creation of the assignment (by way of security) and/or charge in respect of the Agreement as referred to in the Notice;]
- (b) as at the date of this Acknowledgement, we have not received any notice that any third party has or will have any right or interest in, or has made or will be making any claim or demand or taking any action in respect of the rights of the Chargor under or in respect of the Agreement;
- (c) we will pay all sums due, and give notices, under the Agreement as directed in the Notice;
- (d) the Chargor may not agree to amend, waive the terms of, or assign or transfer its interest in, or give any consent or approval under, the Agreement without your consent; and
- (e) all remedies provided for in the Agreement (or otherwise available) and all rights, interests and benefits under (and all rights to compel performance of) the Agreement shall belong to and be exercisable by you or as you direct.

This letter (and any non-contractual obligations arising out of or in connection with it) are governed by English law, and is subject to the exclusive jurisdiction of the English courts.

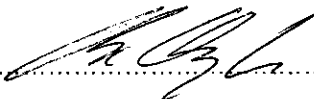
Yours faithfully

.....
For and on behalf of
[Contract Counterparty]

EXECUTION PAGES

The Chargor

Executed as a deed by
BAYSCAPE LIMITED
acting by a director
in the presence of a witness:



Director

Print name. *Christopher Odling-Smee*

Witness Signature:



Witness Name:

Laura Herdman

Witness Occupation:

Solicitor

Witness Address:

..... Capital Law
..... Capital Building
..... Tyndall Street
..... Cardiff
..... CF10 4AZ

Address for notices:

Address: C/o Bayscape Limited, Penarth Road, Cardiff, CF11 8TU

FAO: Chris Odling-Smee

Fax: 02920 787 184

Email: Chris Odling-Smee (chris@themarkinegroup.co.uk)

The Security Agent

Executed as a deed by
**ICG LONGBOW DEVELOPMENT DEBT
LIMITED**

acting by a director in the presence of a
witness

.....
Director

Witness Signature:



Witness name:

CHEQUE DOT

Witness occupation:

P.A.

Witness address:

42 WIGMORE ST

LONDON

W1U 2RY

Address for notices:

Address: 42 Wigmore Street
London
W1U 2RY

Fax No: 0203 201 7529

FAO: Adam Hayner