2078022/23

In accordance with Sections 859A and 859J of the Companies Act 2006.

MR01
Particulars of a charge

Companies House

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

You can use the WebFiling service to file this form online. Please go to www.companieshouse.gov.uk

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

✗ **What this form is NOT for**
You may not use this form to register a charge w[illegible] instrument. Use fo[illegible]

For further information, please refer to our guidance at: www.companieshouse.gov.uk

This form **must be delivered to the Registrar for regist[illegible] 21 days** beginning with the day after the date of creation o[illegible] delivered outside of the 21 days it will be rejected unless it [illegible] court order extending the time for delivery.

You **must** enclose a certified copy of the instrument with th[illegible] scanned and placed on the public record.

TUESDAY

L6X91449
LD2 09/01/2018 #4
COMPANIES HOUSE

For official use

1 Company details

Company number	0 6 9 3 6 6 2 4
Company name in full	Abergavenny Construction Limited

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

All fields are mandatory unless specified or indicated by *

2 Charge creation date

Charge creation date	d 2 d 2 m 1 m 2 y 2 y 0 y 1 y 7

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

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

Name	M5 Associates Limited
Name	
Name	
Name	

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

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

4 Description

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

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

Description

5 Fixed charge or fixed security

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

☑ **Yes**

☐ **No**

6 Floating charge

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

☑ **Yes** Continue

☐ **No** Go to **Section 7**

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

☑ **Yes**

7 Negative Pledge

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

☑ **Yes**

☐ **No**

8 Trustee statement ❶

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

☐

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

9 Signature

Please sign the form here.

Signature

Signature

X CAPITAL LAW LLP X

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

MR01
Particulars of a charge

Presenter information

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

Contact name: Huw Poulton

Company name: Capital Law LLP

Address: Capital Building

Tyndall Street

Post town: Cardiff

County/Region:

Postcode: C F 1 0 4 A Z

Country: United Kingdom

DX: 33013 Cardiff

Telephone: 02920 475 077

Certificate

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

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

Important information

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

How to pay

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

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

Where to send

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

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

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

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

Further information

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

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

This form has been provided free of charge by Companies House.

FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 6936624

Charge code: 0693 6624 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 22nd December 2017 and created by ABERGAVENNY CONSTRUCTION LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 9th January 2018.

Given at Companies House, Cardiff on 11th January 2018

Companies House

THE OFFICIAL SEAL OF THE REGISTRAR OF COMPANIES

DEBENTURE

Date: 22 DECEMBER 2017

(1) ABERGAVENNY CONSTRUCTION LIMITED

(2) M5 ASSOCIATES LIMITED

Certified to be a true copy of the original
Signed:- CAPITAL LAW LLP
Date:- 8/1/18

CAPITAL LAW

THIS AGREEMENT *is dated* 22 DECEMBER 2017

PARTIES

(1) **Abergavenny Construction Limited**, a company incorporated in England and Wales with registered number **06936624** whose registered office is at Golden Valley Accountancy, Unit 4 Westwood Industrial Estate, Pontrilas, Hereford, HR2 0EL (the **Chargor**); and

(2) **M5 Associates Limited**, a company incorporated in England and Wales with registered number **05549542** whose registered office is at 12 Gold Tops, Newport, Gwent, NP20 4PH (the **Lender**).

BACKGROUND

(A) The Lender has agreed to make available a loan facility to the Chargor on the terms and conditions set out in the Facility Agreement (as defined below).

(B) It is a condition precedent to the availability of the loan facility that the Chargor enter into this Deed for the purpose of providing security in favour of the Lender in respect of the Secured Obligations (as defined below).

AGREED TERMS

1. Definitions and interpretation

1.1 Definitions

In this Deed, unless otherwise provided:

Facility Agreement: means the facility agreement entered into on or around the date of this Deed between the Chargor as borrower and the Lender as lender;

Floating Charge Assets: *means the assets for the time being comprised within the* floating charge created by Clause 3.4 (Floating charge);

Insurance Policies: means each of the insurance policies now or in the future held by or otherwise benefiting the Chargor (including any Specific Insurance Policies) and any insurance policies that are effected to renew, substitute or replace any such insurance policies and Insurance Policy means any one of them;

Intellectual Property: means any present or future:

(a) *patents, trade marks, service marks, brand and trade names, domain names,* copyrights, design rights and registered designs, documented trade secrets and know-how, confidential information and other intellectual property rights and interests;

(b) applications for the protection of any such rights and assets in any part of the world; and

(c) agreements and licences relating to the rights to use such assets or exploitation of any such rights and assets,

held by or for the benefit of the Chargor;

LPA 1925: means the Law of Property Act 1925;

Party: means a party to this Deed;

Permitted Security: means:

(a) the Security Interests constituted by or arising under this Deed;

(b) any lien arising in the ordinary course of trading and by operation of law; and

(c) any Security Interest arising under retention of title, hire purchase or similar arrangements entered into in the ordinary course of business and on the supplier's usual terms and not because the Chargor has breached those terms;

Plant and Machinery: means any present or future plant, machinery, office equipment, computers, vehicles and other chattels of the Chargor (excluding those forming part of the Chargor's stock in trade or work in progress);

Real Property: means:

(a) any present or future freehold and/or leasehold properties in which the Chargor has an interest (including the Specific Properties); and

(b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of any of such properties;

Receiver: means any receiver appointed under this Deed or pursuant to any applicable law, whether alone or jointly, and includes a receiver and/or manager and an administrative receiver (if the Lender is permitted to appoint such administrative receiver);

Related Rights: means all of the present and future rights to:

(a) dividends, distributions, interest and other income from the Shares and Investments;

(b) allotments, rights, money or property arising from the Shares and Investments by way of conversion, exchange, redemption, bonus, preference, option or otherwise;

(c) stock, shares and securities offered in addition to or substitution for the Shares and Investments; and

(d) proceeds of, or from, the disposal of, or other dealing with, any Shares and Investments;

Secured Assets: means all of the present and future assets and undertaking of the Chargor which from time to time are the subject of any Security Interest created, or purported to be created, by or pursuant to this Deed;

Secured Obligations: means all present and future obligations and liabilities (whether actual or contingent, whether incurred alone, jointly or severally, whether as principal or surety and/or in any other capacity whatsoever and regardless of how they arise) owed by the Chargor to the Lender under or in connection with the Finance Documents together with all losses, costs, charges, expenses and liabilities including interest incurred by the Lender in connection with the protection, preservation or

enforcement of its rights under the Finance Documents or any other document evidencing or securing any such liabilities and including all interest, costs, commissions, charges and expenses the Lender may in the course of its business as banker charge against the Chargor;

Secured Share Assets: means all of the:

(a) Shares and Investments; and

(b) Related Rights;

Security Interest: means any charge, pledge, mortgage, lien or other security interest securing any obligations of any person or any other arrangement of any type whatsoever having the effect of conferring security or a similar effect;

Security Period: means the period beginning on the date of this Deed and ending on the date on which the Lender is satisfied that the Secured Obligations have been unconditionally and irrevocably discharged in full and that no further Secured Obligations are capable of being outstanding;

Shares and Investments: means all of the present and future:

(a) shares owned or held by the Chargor, or by any nominee on behalf of the Chargor, in any company; and

(b) stocks, debentures, securities and certificates of deposit held by the Chargor or by any nominee on behalf of the Chargor,

(including the Specific Shares and Investments);

Specific Contracts: means the contracts specified in Schedule 3 (Specific Contracts);

Specific Insurance Policies: means the Insurance Policies specified in Schedule 4 (Specific Insurance Policies);

Specific Properties: means those properties specified in Schedule 1 (Specific Properties) and 'Specific Property' means any one of them;

Specific Shares and Investments: means the Shares and Investments specified in Schedule 2 (Specific Shares and Investments);

Sterling: and £ mean the lawful currency of the United Kingdom.

1.2 Incorporation of Facility Agreement definitions

Unless defined otherwise in this Deed, or the context requires otherwise, all words or expressions defined in the Facility Agreement have the same meaning in this Deed.

1.3 *Interpretation*

1.3.1 In this Deed, unless the context otherwise requires:

(a) words in the singular include the plural and vice versa;

(b) including means including without limitation;

(c) where an act is required to be performed promptly, it must be performed as soon as reasonably possible from the moment when the act could reasonably have been performed, having regard to all of the circumstances;

(d) a time of day is a reference to London time;

(e) a reference to any Party shall be construed as including, where relevant, successors in title to that Party, and that Party's permitted assigns and transferees (if any);

(f) a reference to a person includes individuals, unincorporated bodies, government entities, companies and corporations;

(g) a reference to a Clause or a Schedule is to a clause of, or schedule to, this Deed;

(h) a reference to this Deed, any other Finance Document or any other agreement is a reference to that document as amended, novated, supplemented, restated or replaced from time to time in accordance with its terms; and

(i) references to legislation include any modification or re-enactment of such legislation or any part of it.

1.3.2 A reference to this Deed includes its Schedules, which form part of this Deed.

1.3.3 The table of contents and any Clause title, Schedule title or other headings in this Deed are included for convenience only and shall have no effect on the interpretation of this Deed.

1.3.4 An Event of Default is 'continuing' if it has not been waived in writing by the Lender.

1.4 Contract for the disposition of Real Property

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

1.5 Third party rights

1.5.1 Except as expressly provided for in this Deed, a person who is not a Party (other than a Receiver or any of its delegates or sub-delegates) shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any of the provisions of this Deed. This does not affect any right or remedy of such a person that exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.

1.5.2 The Parties may terminate or rescind this Deed, or agree to any variation, waiver or settlement in connection with it, without the consent of any third party, whether or not it extinguishes or alters any entitlement they may have to enforce any of the provisions of this Deed.

2. Covenant to pay

The Chargor covenants with the Lender that it shall, on demand by the Lender, pay and discharge all the Secured Obligations when due, (together with all interest, fees, costs and expenses charged by or incurred by the Lender in connection with the Chargor's obligations to pay and discharge the Secured Obligations).

3. Fixed and floating security

3.1 Legal mortgage

The Chargor, with full title guarantee, charges by way of legal mortgage, in favour of the Lender, all of the Real Property in which the Chargor has an interest on the date of this Deed as security for the payment and discharge of the Secured Obligations.

3.2 Fixed charges

To the extent not validly or effectively charged by way of legal mortgage under Clause 3.1 (Legal mortgage) or assigned under Clause 3.3 (Assignments by way of security), the Chargor, with full title guarantee, charges by way of fixed charge, in favour of the Lender, all of the Chargor's rights, title and interest from time to time in and to each of the following assets, as security for the payment and discharge of the Secured Obligations:

3.2.1 Real Property

(a) its Real Property;

(b) all rental and other income and all debts, rights and claims now or in the future due or owing to the Chargor under or in connection with any lease, agreement or licence relating to its Real Property;

(c) all of the Chargor's present and future rights and claims against the lessees, sub-lessees or licensees of its Real Property and all guarantors and sureties for the obligations of such lessees, sub-lessees or licensees; and

(d) each of the present and future agreements, licences, options, *contracts, guarantees, warranties, easements, agreements for lease,* and any other document, in each case, entered into by the Chargor relating to the use, acquisition, exploitation, disposal of or dealings with any of the Real Property;

3.2.2 Plant and Machinery

all Plant and Machinery;

3.2.3 Shares and Investments

(a) the Specific Shares and Investments;

(b) all the Related Rights arising in connection with the Specific Shares and Investments;

(c) all of its Shares and Investments other than the Specific Shares and Investments; and

(d) all the Related Rights arising in connection with all of its Shares and Investments other than the Specific Shares and Investments;

3.2.4 Insurance Policies

(a) all of the Chargor's rights and claims arising in relation to each of the Specific Insurance Policies, including the benefit of all claims arising and all money payable under the Specific Insurance Policies;

(b) all of the Chargor's rights and claims arising in relation to each of the other Insurance Policies, including the benefit of all claims arising and all money payable under such Insurance Policies;

3.2.5 Goodwill and uncalled capital

all its goodwill and all rights and claims relating to the uncalled capital of the Chargor;

3.2.6 Intellectual Property

all of the Chargor's rights, title and interest in the Intellectual Property;

3.2.7 Debts

all of its present and future book and other debts that the Chargor is required to pay pursuant to the terms of Clause 6 (Undertakings) of this Deed; and

3.2.8 Specific Contracts

all of the Chargor's rights and claims in relation to the Specific Contracts.

3.3 Assignments by way of security

3.3.1 The Chargor, with full title guarantee, assigns absolutely to the Lender, as security for the payment and discharge of the Secured Obligations:

(a) all rental and other income and all debts, rights and claims now or in the future due or owing to the Chargor under or in connection with any lease, agreement or licence relating to its Real Property;

(b) all of the Chargor's present and future rights and claims against the lessees, sub-lessees or licensees of its Real Property and all guarantors and sureties for the obligations of such lessees, sub-lessees or licensees;

(c) the benefit of each of the present and future agreements, licences, options, contracts, guarantees, warranties, easements, agreements for lease, and any other document, in each case, entered into by the Chargor relating to the use, acquisition, exploitation, disposal of or dealings with any of the Real Property;

(d) all of the Chargor's rights and claims in relation to the Insurance Policies; and

(e) all of the Chargor's rights and claims in relation to the Specific Contracts.

3.3.2 Notwithstanding the other terms of this Clause 3.3 (Assignments by way of security), prior to the occurrence of an Event of Default which is continuing, the Chargor may, subject to the other terms of the Finance Documents, continue to exercise all and any of its rights under and in connection with the Specific Contracts or any of the other assets specified in Clause 3.3.1.

3.4 Floating charge

3.4.1 The Chargor, with full title guarantee, charges by way of floating charge in favour of the Lender as security for the payment and discharge of the Secured Obligations, all of its present and future assets (except to the extent that those assets are for the time being effectively charged by way of legal mortgage or fixed charge or assigned under Clauses 3.1 (Legal mortgage), 3.2 (Fixed charges) or 3.3 (Assignments by way of security)) including any assets which have been reconverted into a floating charge under Clause 4.4 (Decrystallisation of floating charge).

3.4.2 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by Clause 3.4.1.

4. Crystallisation of floating charge

4.1 Crystallisation by notice

4.1.1 Unless automatic crystallisation has already occurred under Clause 4.2 (Automatic crystallisation), the floating charge created by Clause 3.4 (Floating charge) may be crystallised into a fixed charge by the Lender giving written notice to the Chargor in relation to any or all of the Floating Charge Assets, if:

(a) the Security Interests created by or pursuant to this Deed become enforceable in accordance with Clause 10 (Enforcement); or

(b) the Lender considers (in its reasonable opinion), that crystallisation is required to protect the priority of the security created under this Deed.

4.1.2 If no Floating Charge Assets are specified in the notice referred to in Clause 4.1.1, the crystallisation shall take effect over all the Floating Charge Assets.

4.2 Automatic crystallisation

The floating charge created by Clause 3.4 (Floating charge) shall automatically and with immediate effect crystallise (without notice) into a fixed charge in relation to all the Floating Charge Assets upon the occurrence of any of the following:

4.2.1 the Chargor, without the Lender's prior written consent, resolves to take or takes any step to create a Security Interest (other than Permitted Security) or trust over any Floating Charge Asset or to dispose of any Floating Charge

Asset (except any disposal in the ordinary course of its business unless such disposal is prohibited by the Finance Documents); or

4.2.2 any person resolves to take or takes any step to levy any distress, execution, sequestration or other process against any Floating Charge Asset; or

4.2.3 an application is presented to the court for the making of an administration order in relation to the Chargor; or

4.2.4 any person (who is entitled to do so) gives notice of its intention to appoint an administrator to the Chargor or files such a notice with the court.

4.3 Assets acquired post-crystallisation

Any assets acquired by the Chargor after crystallisation has occurred (and that are not effectively charged by way of legal mortgage or fixed charge or assigned under Clauses 3.1 (Legal mortgage), 3.2 (Fixed charges) or 3.3 (Assignments by way of security)) shall become subject to the floating charge created by Clause 3.4 (Floating charge) so that the crystallisation shall be effective as if such assets were owned by the Chargor at the date of crystallisation.

4.4 Decrystallisation of floating charge

Any charge that has crystallised under Clause 4.1 (Crystallisation by notice) or Clause 4.2 (Automatic crystallisation) may by notice in writing (given at any time by the Lender), be reconverted into a floating charge in relation to the assets or class of assets specified in that notice.

5. *Representations and warranties*

5.1 The Chargor makes the following representations and warranties to and for the benefit of the Lender on the date of this Deed and acknowledges that the Lender has entered into the Finance Documents in reliance on such representations and warranties:

5.1.1 General

(a) subject to the Legal Reservations, this Deed creates the Security Interests that it purports to create and each such Security Interest constitutes a legal, valid and effective Security Interest with first ranking priority;

(b) no Security Interest subsists over any of the Secured Assets except for the Security Interests created by or pursuant to any Permitted Security and no person holds an interest in any of the Secured Assets other than under a Permitted Security;

(c) it is the sole legal and beneficial owner of all of the Secured Assets and on it acquiring any property forming part of the Secured Assets, it will be the sole legal and beneficial owner of that property; and

(d) no third party consents are required to ensure the effective creation of the Security Interests envisaged by this Deed.

5.1.2 Real Property

(a) all Real Property which is material to the Chargor's business is identified in Schedule 1 (Specific Properties);

(b) no breach of any law (including environmental law), regulation or covenant or the terms of any planning permission has occurred and is continuing which has or would be reasonably likely to have a material adverse effect on the value or use of its Real Property or any part of it;

(c) no covenants, agreements, stipulations, reservations, conditions, interest, rights or other matters whatsoever affect any of its Real Property which have or would be reasonably likely to have a material adverse effect on the value or use of its Real Property or any part of it;

(d) nothing has arisen or has been created or is subsisting which would be an overriding interest or an unregistered interest over any of its Real Property which would have or be reasonably likely to have a material adverse effect on the value or use of its Real Property or any part of it;

(e) it has all facilities (including access) necessary for the enjoyment and use of all of its Real Property where the lack of those facilities would have or be reasonably likely to have a material adverse effect on the value or use of its Real Property or any part of it;

(f) no facility necessary for the enjoyment and use of any of its Real Property is on terms entitling any person to terminate or curtail its use;

(g) it has received no notice of any adverse claims by any person in respect of any of its Real Property which, if adversely determined, would or would be reasonably likely to have a material adverse effect on the value or use of its Real Property or any part of it; and

(h) no hazardous or toxic materials, substances, pollutants, contaminants or wastes have at any time been released into the environment or deposited, discharged, displaced or disposed of at its Real Property.

5.1.3 Shares and Investments

(a) all of the Chargor's material Shares and Investments are identified in Schedule 2 (Specific Shares and Investments);

(b) the Secured Share Assets are duly authorised, validly issued, fully called up, fully paid and not subject to any option to purchase or similar right;

(c) any transfer of any of the Secured Share Assets as a result of the creation or enforcement of this Deed is and will not be restricted in any way by the constitutional documents of any company in which the Secured Share Assets are held;

(d) no company in which the Specific Shares and Investments are held is obliged under the terms of any agreement to issue or allot any of its shares to any particular person or class of persons, whether or not following the making of a call or demand; and

(e) it has not made any nomination under section 145 of the Companies Act 2006 in connection with any of the Secured Share Assets.

5.1.4 Specific Contracts

(a) all of the contracts which are material to the Chargor's business are identified in Schedule 3 (Specific Contracts);

(b) subject to the Legal Reservations, its obligations under each of the Specific Contracts are legal, valid, binding and enforceable;

(c) it has taken the necessary corporate action to allow it to enter into and perform its obligations under each of the Specific Contracts;

(d) all authorisations, consents and licences necessary to enable it to enter into and perform its obligations under the Specific Contracts have been obtained;

(e) the Specific Contracts are in full force and effect;

(f) there have been no amendments to any of the Specific Contracts (other than those disclosed in writing to the Lender on or prior to the date of this Deed);

(g) the Chargor's rights, title and interest under the Specific Contracts are not subject to any rights of set-off or counterclaim by any other person;

(h) there have been no defaults under any of the Specific Contracts (other than those disclosed in writing to the Lender on or prior to the date of this Deed);

(i) no right of action is vested in any party to any of the Specific Contracts in respect of any representation, breach of condition, breach of warranty or breach of any other express or implied term by the Chargor under any of the Specific Contracts; and

(j) the Chargor has no knowledge of any fact that would or might prejudice or affect any right, power or ability of the Lender to enforce any of the Specific Contracts or any term or condition under them.

5.1.5 Specific Insurance Policies

(a) all of the Insurance Policies which are material to the Chargor's business are identified in Schedule 4 (Specific Insurance Policies);

(b) the Specific Insurance Policies have not been amended, modified or cancelled and remain in full force and effect;

(c) it has not done or omitted to do anything and no event or circumstance has occurred which has made or could make any Insurance Policy void, voidable or subject to any restriction, limitation or an increased premium or which could prevent the Lender from receiving any money payable under any Insurance Policy; and

(d) it has not received any notification from its insurers that their liability under the Insurance Policies has been reduced or avoided.

5.2 Repetition of representations and warranties

The representations contained in this Clause 5 (Representations and warranties) are deemed to be repeated by the Chargor by reference to the facts and circumstances then existing on each day during the Security Period.

6. Undertakings

The undertakings in this Clause 6 (Undertakings) remain in effect throughout the Security Period.

6.1 General

6.1.1 The Chargor must:

(a) maintain, preserve, protect and keep good and marketable title to all of the Secured Assets;

(b) maintain and preserve the Security Interests created by or pursuant to this Deed and the first-ranking priority of such Security Interests; and

(c) provide the Lender with any notices, reports, accounts, circulars and other documents relating to the Secured Assets promptly when the Lender requires.

6.1.2 The Chargor must not:

(a) create or permit to subsist any Security Interest over any of the Secured Assets other than any Security Interest created by or pursuant to any Permitted Security;

(b) either in a single transaction or in a series of transactions sell, transfer, licence, lease, grant any option in respect of or otherwise dispose of all or any part of the Secured Assets or agree or attempt to do so unless such disposal is a Permitted Disposal.

6.2 Real Property

6.2.1 The Chargor must:

(a) keep all buildings, plant, machinery, fixtures, fittings and other effects charged under this Deed in good and substantial repair and in good working order (except only for fair wear and tear) and renew and replace them when they become obsolete, worn out or destroyed *(this clause shall not apply to the carrying out of the Development)*;

(b) punctually pay or cause to be paid and keep the Lender indemnified against, all present and future rents, rates, taxes, levies, charges, duties, assessments, impositions and other outgoings assessed, charged or imposed upon or in respect of its Real Property and, when required, produce to the Lender proof of such payment;

(c) ensure compliance with all laws, statutes, statutory instruments, regulations and by-laws for the time being in force and all notices, orders and requirements of any competent authority, and all directives and codes of practice affecting its Real Property, business or assets or relating to the protection of the environment or health and safety and give effect to all arrangements which any such authority may direct or recommend;

(d) complete (with reasonable expedition and in compliance with all planning and by-law consents or agreements entered into with a competent authority) any building operations commenced at any time by it on its Real Property to the reasonable satisfaction of the Lender all of which building operations shall have been previously approved by the Lender;

(e) observe and perform all agreements, assignments, contracts, conveyances, grants and other deeds and documents for the time being binding on it or affecting its Real Property or its use or enjoyment, and the Chargor must not take or omit to take any action of any kind whereby its interest or estate in its Real Property may be forfeited or otherwise adversely affected;

(f) if the Chargor receives any notice served under section 146 of the LPA 1925 or any proceedings are commenced for forfeiture of any lease or any superior lease or the landlord or any superior landlord attempts to re-enter under the provisions of such lease: (i) immediately notify the Lender in writing, and (ii) take such steps as the Lender requires (at the Chargor's own expense);

(g) permit the Lender on reasonable notice to enter any of its Real Property, without prejudice to the powers conferred by this Deed and without becoming a mortgagee in possession, for any reasonable purpose and to view the state of the same;

(h) punctually pay the rents and perform any other obligations contained in any lease, agreement for lease, tenancy agreement or licence to occupy its Real Property and enforce the observance and performance by the landlord or licensor of their respective obligations under any such document;

(i) supply to the Lender, within 7 days of receipt, copies of any notice, order or proposal received by the Chargor from any competent authority or from any landlord or tenant affecting any of the Real Property in any material respect, and, at the cost of the Chargor, either punctually comply with the notice or order or, if so requested by the Lender, make or join with the Lender in making such objections or representations or taking such other steps as the Lender may think fit, and any compensation received by the Chargor as a result shall

be charged to the Lender and paid to it and applied in or towards the discharge of the Secured Obligations;

(j) promptly on receipt, provide to the Lender a copy of each professional valuation report it obtains in relation to any of the Real Property;

(k) notify the Lender, promptly on receipt, of any claim, notice or other communication received by it alleging non-compliance by it in relation to any matter referred to in this Clause 6.2 (Real Property); and

(l) insure and keep insured all its Real Property.

6.2.2 The Chargor must not:

(a) *create any legal or equitable estate or interest (including any license* or sub-license, or grant any interest or right relating to the use, occupation or possession) in or over the whole or any part of its Real Property (or purport to do so) or part with possession or ownership or allow any third party access to or the right to use any of its Real Property;

(b) without the prior written consent of the Lender:

(i) exercise any power of leasing its Real Property, or accepting *any lease surrenders, nor (except where obliged to do so* by law) extend, renew or vary any lease or tenancy agreement or grant any licence to assign or underlet;

(ii) construct any building or make any structural alteration or apply for any planning consent for the development or change of use of any of its Real Property, or, except in the ordinary course of repair, replacement or improvement, at any time sever, remove or dispose of any fixture on it save where such action is required to carry out the Development;

(iii) enter into onerous or restrictive obligations affecting its Real Property or create or permit to arise any overriding interest or any easement or right in or over it; or

(iv) alter, pull down, remove or dispose of any of buildings, plant, machinery, fixtures, fittings on its Real Property except in the ordinary course of repair, maintenance or improvement.

6.3 Shares and Investments

6.3.1 The Chargor must promptly pay when due all calls on any of its Secured Share Assets that, despite Clause 5.1.3(b), are not fully paid.

6.3.2 The Chargor must not:

(a) make any nomination under section 145 of the Companies Act 2006 in connection with any of the Secured Share Assets;

(b) convert any of the Secured Share Assets from certificated to uncertificated form;

(c) cause or permit any of the Secured Share Assets to be consolidated, sub-divided or converted and must take such action as the Lender may direct in respect of any proposed compromise, arrangement, capital organisation, conversion, exchange, repayment or takeover offer affecting any of the Secured Share Assets or any proposal to vary or abrogate any rights attaching to any of the Secured Share Assets;

(d) permit the articles of association of any company in which the Chargor holds any of the Secured Share Assets to be amended or modified in any way that would be adverse to the interests of the Lender or adversely affect the Security Interests created, or purported to be created, by or pursuant to this Deed; or

(e) exercise any voting or other rights in respect of the Secured Share Assets in any way that is likely to prejudice the value of the Secured Share Assets or otherwise jeopardise the Security Interests created, or purported to be created, by or pursuant to this Deed in respect of the Secured Share Assets.

6.4 Insurance

6.4.1 The Chargor must:

(a) insure and keep insured the Property in a form acceptable to the Lender against all risks that the Lender may require to its full replacement value from time to time with such insurers as the Lender may from time to time approve in writing;

(b) insure all of its assets of an insurable nature, with reputable insurers, in sums at least equal to the replacement value of those assets, against such risks and on such terms that are usual for a prudent company carrying on the same or equivalent business as the Borrower;

(c) take out and maintain with insurers approved by the Lender the all risks insurance for the full reinstatement value of the Development and shall maintain such policy up to and including the date of Practical completion of the Development. The Borrower shall provide the Lender with a letter from the brokers or insurer confirming that the Lender is co-insured on the policy. In addition the Borrower will fully insure or obtain and maintain professional indemnity insurance in respect of the Development in a form and with an insurance company acceptable to the Lender until 12 (TWELVE) years from the date of Practical Completion of the Development works and provide evidence of the same. The Borrower shall procure that all members of the Professional Team and any Sub-Contractors with design responsibility also maintain such insurance and the Borrower shall provide the Lender with the relevant letters from the brokers or insurers confirming the same. The Borrower shall take out and maintain (and shall cause any Sub-Contractor similarly to take out and maintain) adequate employer's liability insurance, public liability insurance in

relation to the Development and the Borrower will provide the Lender with evidence of the same;

(d) upon request, provide the Lender with copies of the Insurance Policies;

(e) comply with the terms of the Insurance Policies;

(f) promptly, and in any event no later than their due date, pay all premiums required for keeping up the Insurance Policies and deliver to the Lender within 7 days after they become due the receipts for all such premiums;

(g) provide the Lender with copies of all correspondence given to or received from any insurer under any Insurance Policy promptly after they are given or received;

(h) renew each Insurance Policy in good time prior to its expiry date;

(i) if any of the Insurance Policies become void or voidable, immediately at its own cost, effect a new Insurance Policy of the same value as the void or voidable Insurance Policy;

(j) procure that the Lender is named as co-insured under each Insurance Policy (but without any liability on the part of the Lender to pay any premium in relation to the Insurance Policies) and that the Lender is first loss payee under each Insurance Policy;

(k) use all reasonable endeavours to procure that each insurer under the Insurance Policies undertakes in writing to the Lender that it will:

(i) immediately inform the Lender if the Chargor defaults in the payment of any premium or fails to renew any of the Insurance Policies and, pending receipt of instructions from the Lender, keep the Lender's interest in the Insurance Policies in full force and effect for the full amount insured and for the same risks, subject to any premium for any such period of extended cover being payable by the Lender on behalf of the Chargor;

(ii) advise the Lender of any proposed cancellation of any Insurance Policy at least 30 days before the cancellation is due to take effect; and

(iii) if, in relation to any of the Insurance Policies, the insurance cover is to be reduced or any insured risks are to be restricted, advise the Lender at least 30 days before the reduction or restriction is due to take effect;

(l) ensure that all proceeds of any of the Insurance Policies will be paid to the Lender and applied towards making good the loss or damage in respect of which the money was received or, at the option of the Lender after the Security Interests created by or pursuant to this Deed become enforceable, towards the discharge of the Secured Obligations; and

(m) pay all money it may receive in respect of any Insurance Policy to the Lender immediately on receipt and, pending such payment, hold all money so received upon trust for the Lender.

6.4.2 The Chargor must not do any act or commit any default by which any Insurance Policy may become void, voidable or subject to any restriction, limitation or an increased premium or by which the Lender may be hindered from receiving all money payable under any Insurance Policy.

6.5 Intellectual Property

6.5.1 The Chargor must:

(a) take all necessary action to protect and maintain its Intellectual Property and franchises, wherever situated, that are material to its business and contracts, and promptly notify the Lender of any infringement or alleged infringement or any challenge to the validity of any Intellectual Property of which the Chargor has notice and supply the Lender with all relevant information in its possession relating to them as the Lender may request;

(b) maintain an up-to-date record of all trade marks and Intellectual Property belonging to it, all applications for registration of trade marks and all copyright, patents and patent applications owned by the Chargor and provide a copy to the Lender on written request;

(c) diligently commence and prosecute all proceedings that may be necessary to prevent infringement of any Intellectual Property belonging to it where the infringement has or could have a material effect on its business; and

(d) pay all application, registration, renewal and other payments necessary to effect, protect, maintain or renew registrations in respect of its Intellectual Property and do all such things necessary to maintain all Intellectual Property rights in full force and effect, and send or deliver to the Lender the receipt for every such payment immediately after it has been made.

6.5.2 The Chargor must not:

(a) sell, assign, transfer, license or agree to license any Intellectual Property belonging to it or any interest in them, or permit any third party to use them; or

(b) alter any specification for which any of its trade marks has been registered or give its consent to registration by a third party of any trade mark which is the same or confusingly similar to any of its trade marks.

6.6 Book and other debts

6.6.1 The Chargor must collect and realise all its book and other debts and must pay all money it may receive in respect of them into one of its bank accounts;

6.6.2 The Chargor must not, without the prior written consent of the Lender, charge, factor, discount, assign, postpone, subordinate, release or waive its rights in respect of any of its book or other debts in favour of any other person or purport to do so.

6.7 Bank accounts

The Chargor must:

6.7.1 maintain each of its bank accounts with a bank approved by the Lender; and

6.7.2 deliver details of each of its bank accounts (and any changes thereto) to the Lender promptly upon request;

6.8 Specific Contracts

6.8.1 The Chargor must:

(a) enforce its rights under the Specific Contracts;

(b) perform its obligations under the Specific Contracts in a prompt and efficient manner;

(c) provide the Lender promptly with copies of the Specific Contracts and any amendments thereto (to the extent not provided to the Lender on or prior to the date of this Deed);

(d) provide to the Lender promptly on request all information, accounts and records in the possession or control of the Chargor that may be necessary or of assistance to enable the Lender to verify:

(i) the amount of all payments made or payable under any of the Specific Contracts by the other party to each Specific Contract; or

(ii) the performance by each such other party of all its obligations under any of the Specific Contracts; and

(e) provide the Lender with copies of all notices given to or received from the other party under any of the Specific Contracts promptly after they are given or received.

6.8.2 The Chargor must not do or omit to do anything in relation to the Specific Contracts which may reasonably be expected to adversely and materially affect the Chargor's ability to perform its obligations under the Finance Documents.

6.8.3 The Chargor must not without the Lender's prior written consent:

(a) amend or waive any of its rights under any of the Specific Contracts;

(b) release any other party to any of the Specific Contracts from any of its obligations thereunder or allow such party to exercise any right of set-off; or

(c) waive any breach by such other party of, or agree to accept termination of such other party's obligations under any of the Specific Contracts.

7. Shares and Investments: voting rights and dividends

7.1 Before this Deed becomes enforceable

Subject to the Facility Agreement, unless and until the Security Interests created by or pursuant to this Deed become enforceable:

7.1.1 all voting and other rights (including the right to receive dividends) attaching to any of the Secured Share Assets shall continue to be exercised by the Chargor; and

7.1.2 the Chargor shall be free to deal with all the dividends, distributions and interest and other money paid on the Secured Share Assets.

7.2 After this Deed becomes enforceable

At any time after the Security Interests created by or pursuant to this Deed become enforceable:

7.2.1 the Lender or its nominee may, in the name of the Chargor or otherwise and without any further consent or authority on the part of the Chargor, exercise any or all voting and other rights attaching to the Secured Share Assets and any rights attaching to the Secured Share Assets to nominate or remove a director as if the Lender or its nominee were the sole beneficial owner of the Secured Share Assets;

7.2.2 all the Related Rights shall, if received by the Chargor or its nominee, be held on trust for, and shall be paid or transferred to, the Lender or its nominee;

7.2.3 the Chargor must, and must procure that its nominees will, accept short notice for and attend any meeting of the holders of any of the Secured Share Assets, appoint proxies and exercise voting and other rights and powers exercisable by the holders of the Secured Share Assets as the Lender or its nominee may direct from time to time; and

7.2.4 the Lender or its nominee may without notice to the Chargor:

(a) deal with the documents referred to in Clause 8.1 which relate to the Secured Share Assets and complete any transfers of any of the Secured Share Assets as if it was the absolute and unencumbered owner of such Secured Share Assets; and

(b) in exercising a power of sale, deliver the documents referred to in Clause 8.1 which relate to the relevant Secured Share Assets to a purchaser of any such Secured Share Assets.

8. Perfection of security

8.1 Title documents

The Chargor must:

8.1.1 immediately upon the execution of this Deed (and promptly upon the acquisition of any Secured Assets after the date of this Deed), deposit with the Lender, all deeds, title documents, certificates, account mandates, signing authorities and other documents constituting or evidencing title to each of the Secured Assets; and

8.1.2 at any time after the execution of this Deed, deposit with the Lender any further deeds, title documents, certificates, account mandates, signing authorities and other documents constituting or evidencing title to the Secured Assets, promptly upon coming into possession of any of them.

8.2 Document delivery and other steps to perfect security

8.2.1 The Chargor must, immediately upon the execution of this Deed (and promptly upon the acquisition of any Secured Assets after the date of this Deed), execute and deliver to the Lender (at the Chargor's expense) in such form and substance as the Lender may reasonably require:

(a) all documents required to perfect the Security Interests created, or purported to be created, by or pursuant to this Deed (including any documents required in connection with any registration formalities);

(b) in relation to the Secured Share Assets, stock transfer forms or other instruments of transfer (executed by the Chargor with the details of the transferee and the date left blank); and

(c) any notices to any third party of any of the charges or assignments contained in this Deed.

8.2.2 The Chargor must take all such other action as is available to it as may be necessary or as may reasonably be requested by the Lender to create, perfect, protect or maintain any of the Security Interests created, or purported to be created, by or pursuant to this Deed or to vest title to any Secured Asset in the Lender or its nominee or any purchaser, or to facilitate the realisation of any Secured Asset under this Deed or the exercise of any of the rights, powers and remedies of the Lender provided by or pursuant to this Deed or by law, including:

(a) making all filings and registrations with and paying all taxes and duties to the appropriate authorities (including Companies House, the Land Registry and the Intellectual Property Office); and

(b) if required by the Lender, making an application to the Land Registry for a restriction to be placed on the Proprietorship Register of the Chargor's Real Property so that no disposition of any such Real Property by the Chargor is to be registered without the prior written consent of the Lender.

8.3 Notices of charge and/or assignment

The Chargor must give notices of assignment or charge, as required by the Lender, in relation to each Secured Asset which is subject to an assignment or charge pursuant to Clause 3.2 (Fixed charges) or Clause 3.3 (Assignments by way of security), to each of the relevant counterparties including:

8.3.1 Insurance Policies:

(a) by giving notice of assignment substantially in the form set out in *Schedule 5 (Insurance Policies—Form of notice of assignment and* acknowledgement) to each of the other parties to each of the Insurance Policies and use all reasonable endeavours to procure that the other party returns the signed acknowledgement of such notice directly to the Lender within 14 days from the date of this Deed;

(b) if the Chargor acquires any rights, title or interest in an Insurance Policy after the date of this Deed, promptly upon the acquisition by it of such rights, title or interest, by giving notice of the assignment substantially in the form set out in Schedule 5 (Insurance Policies—Form of notice of assignment and acknowledgement) to each of the other parties to each of such Insurance Policies and use all reasonable endeavours to procure that the other party returns the signed acknowledgement of such notice directly to the Lender within 14 days from the date the notice of assignment is served; and

8.3.2 Specific Contracts: by giving notice of assignment substantially in the form set out in Schedule 6 (Specific Contracts—Form of notice of assignment and acknowledgement) to each of the other parties to each of the Specific Contracts and use all reasonable endeavours to procure that such parties return the signed acknowledgement of such notice directly to the Lender within 14 days from the date of this Deed.

9. Further assurance

9.1 Further assurance

9.1.1 The Chargor must, if requested by the Lender, execute in favour of the Lender (or as the Lender directs) such further legal or other assignments or mortgages of, charges on or transfers of the Secured Assets as the Lender requires to secure the payment and discharge of the Secured Obligations.

9.1.2 The assignments, mortgages, charges or transfers shall be prepared by or on behalf of the Lender at the cost of the Chargor, and shall contain such provisions as the Lender may require.

9.2 Real Property: future acquisitions

If the Chargor acquires any freehold or leasehold property after the date of this Deed, the Chargor must:

9.2.1 *immediately notify the Lender;*

9.2.2 immediately upon request by the Lender and at the cost of the Chargor, execute and deliver to the Lender a legal mortgage in favour of the Lender of that property in a form consistent with this Deed, which the Lender may *require;*

9.2.3 give the Land Registry written notice of the Security Interests created by this Deed and any mortgage;

9.2.4 if applicable, ensure that the Security Interests created by this Deed and any mortgage are correctly noted against the Charges Register against the title of the relevant freehold or leasehold property at the Land Registry; and

9.2.5 attend to any other perfection of security requirements required by the Lender.

10. Enforcement

10.1 The Security Interests created by or pursuant to this Deed shall become immediately enforceable at any time after the occurrence of an Event of Default.

10.2 After the Security Interests created by or pursuant to this Deed have become enforceable, the Lender may in its absolute discretion enforce all or any part of this Deed in any manner it sees fit.

10.3 Without limiting the generality of the foregoing, at any time after the Security Interests created by or pursuant to this Deed have become enforceable, the Lender may appoint an administrator of the Chargor pursuant to Schedule B1 to the Insolvency Act 1986 (IA 1986).

11. Right of appropriation

To the extent that the provisions of the Financial Collateral Arrangements (No 2) Regulations 2003, SI 2003/3226 apply to a Secured Asset, the Lender shall have the right to appropriate all or any part of that Secured Asset in or towards the payment or discharge of the Secured Obligations. For this purpose, a commercially reasonable method of valuing a Secured Asset shall be:

11.1 in the case of cash, the amount standing to the credit of the relevant bank account, together with any accrued interest, at the time of appropriation; and

11.2 in the case of any other Secured Asset, its market value determined by the Lender by reference to a public index, independent valuation or by such other process as the Lender may select.

12. Appointment and powers of a Receiver

12.1 Appointment of a Receiver

At any time:

12.1.1 after the Security Interests created by or pursuant to this Deed have become enforceable; or

12.1.2 if so requested by the Chargor,

the Lender may appoint by writing any person to be a Receiver of all or any part of the Secured Assets.

12.2 Powers of Receivers joint and several

Where more than one Receiver is appointed, they shall have power to act separately unless the Lender in the appointment specifies to the contrary.

12.3 Remuneration of Receiver

The Lender may from time to time determine the remuneration of the Receiver.

12.4 Power of the Lender to remove Receiver

The Lender may, subject to section 45 of the Insolvency Act 1986, remove the Receiver from the assets of which it is Receiver.

12.5 Further appointment

The appointment of a Receiver shall not preclude:

12.5.1 the Lender from making any subsequent appointment of a Receiver over all or any of the Secured Assets over which a Receiver has not previously been appointed or has ceased to act; or

12.5.2 a Receiver, while continuing to act, consenting to the appointment of an additional Receiver to act with it.

12.6 Status of Receiver as agent

A Receiver shall be the agent of the Chargor and the Chargor shall be solely liable for the Receiver's acts, defaults and remuneration, unless and until the Chargor goes into liquidation, after which the Receiver shall act as principal and shall not become the agent of the Lender.

12.7 Powers of Receiver

A Receiver shall have and be entitled to exercise in relation to the Chargor all the powers set out in Schedule I to the Insolvency Act 1986, and in particular, by way of addition and without limiting such powers, and without prejudice to the powers of the Lender, a Receiver shall have power either in its own name or in the name of the Chargor:

12.7.1 in connection with any sale or other disposition of the Secured Assets, to receive the consideration for the sale in a lump sum or in instalments and to receive shares by way of consideration;

12.7.2 to grant options, licences or any other interests in the Secured Assets;

12.7.3 to sever fixtures from, and to repair, improve and make any alterations to, the Secured Assets;

12.7.4 to exercise any voting rights belonging to the Chargor;

12.7.5 to do all other acts and things which it may consider desirable or necessary for realising any Secured Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed; and

12.7.6 to exercise in relation to any of the Secured Assets all the powers, authorities and things which it would be capable of exercising if it was the absolute beneficial owner of the Secured Asset.

12.8 Limitation on Lender's liability

Neither the Lender nor any Receiver shall be liable:

12.8.1 for any loss, however caused, arising out of:

(a) any sale or other disposal of any of the Secured Assets and whether or not a better price could or might have been obtained by deferring or advancing the date of such sale or other disposal; or

(b) the exercise of or failure to exercise any of the Lender's powers under this Deed; or

12.8.2 to account as mortgagee in possession for any of the Secured Assets.

12.9 Section 109 of the LPA 1925

Section 109 of the LPA 1925 shall not apply to this Deed.

13. Power of attorney

13.1 *Power of attorney*

The Chargor, by way of security, irrevocably appoints the Lender (whether or not a Receiver has been appointed) and any Receiver separately, to be the attorney of the Chargor with full power to appoint substitutes and to delegate, for the Chargor in its name and on its behalf, and as its act and deed or otherwise, to execute, deliver and otherwise perfect any document, or perform any act:

13.1.1 that may be required of the Chargor under this Deed and that the Chargor has failed to do within 7 days of being notified by the Lender that it is required; or

13.1.2 that may be deemed by the attorney necessary or desirable for any purpose of this Deed (including, after the Security Interests created by or pursuant to this Deed have become enforceable, to transfer legal ownership of any of the Secured Assets).

13.2 Ratification

Without prejudice to the generality of Clause 13.1 (Power of attorney), the Chargor covenants with the Lender and separately with any Receiver to ratify:

13.2.1 *all transactions entered into by any attorney in the proper exercise of its* powers in accordance with this Deed; and

13.2.2 *all transactions entered into by any attorney in signing, sealing or delivering* any deed, assurance or document, perfecting any Security Interest or performing any act, in each case in the proper exercise of its powers in accordance with this Deed.

14. Other powers exercisable by the Lender

14.1 Lender may exercise Receiver's powers

All powers of a Receiver conferred by this Deed may be exercised by the Lender after the Security Interests created by or pursuant to this Deed have become enforceable, whether as attorney of the Chargor or otherwise, and whether or not a Receiver has been appointed.

14.2 Lender empowered to receive receivables

The Lender or any manager or officer of the Lender is irrevocably empowered to receive all receivables and claims that may be assigned to the Lender under this Deed, on payment to give an effectual discharge for them, on non-payment to take and institute if the Lender in its sole discretion so decides all steps and proceedings either in the name of the Chargor or in the name of the Lender for their recovery, and to agree accounts and to make allowances and to give time to any surety. The Chargor undertakes to ratify and confirm whatever the Lender or any manager or officer of the Lender shall do or purport to do under this Clause 14 (Other powers exercisable by the Lender).

14.3 Lender not obliged to take action relating to receivables

The Lender shall not be obliged to:

14.3.1 make any enquiry as to the nature or sufficiency of any sums received by it in respect of any receivables or claims assigned to it under this Deed or pursuant to any of the Secured Assets;

14.3.2 make any enquiry as to the adequacy of performance by any other party to any of the Specific Contracts of that party's obligations under any of the Specific Contracts;

14.3.3 make any claim or take any other action under this Deed; or

14.3.4 collect any money or enforce any of its other rights under this Deed.

14.4 Lender has no obligation under the Insurance Policies or Specific Contracts

The Lender shall have no obligation under the Insurance Policies or the Specific Contracts and shall have no liability in the event of failure by the Chargor to perform its obligations under the Insurance Policies or the Specific Contracts.

15. Powers of sale, leasing, accepting surrenders and severance

15.1 Statutory power of sale to arise on execution

Section 103 of the LPA 1925 shall not apply to this Deed, but the statutory power of sale shall, as between the Lender and a purchaser from the Lender, arise on, and be exercisable at any time after, the execution of this Deed. However, the Lender shall not exercise such power of sale until the Security Interests created by or pursuant to this Deed become enforceable, or a Receiver has been appointed, but this provision shall not affect a purchaser or require a purchaser to ask whether a demand or appointment has been made.

15.2 Power of the Lender to grant leases

15.2.1 The statutory powers of sale, leasing and accepting surrenders exercisable by the Lender by virtue of this Deed shall be extended so as to authorise the Lender (whether in its own name or that of the Chargor) after the Security Interests created by or pursuant to this Deed have become enforceable, to grant leases of any of the Real Property on such terms and conditions as the Lender shall think fit.

15.2.2 The Chargor must not exercise any of the powers of leasing or accepting surrenders of leases conferred by sections 99 and 100 of the LPA 1925 or by common law without the Lender's prior written consent.

15.3 Lender may sever fixtures

The statutory power of sale exercisable by the Lender is extended so as to authorise the Lender to sever any fixtures from any Real Property and sell them separately.

16. Protection of third parties

No person (including a purchaser) dealing with the Lender or any Receiver or any of their respective nominees or agents, shall be concerned to enquire:

16.1 whether the Security Interests created by or pursuant to this Deed have become enforceable;

16.2 whether any Receiver is validly appointed or acting within its powers;

16.3 whether any power exercised or purported to be exercised has become exercisable;

16.4 whether any of the Secured Obligations remain due;

16.5 as to the necessity or expediency of any stipulations or conditions subject to which the sale of any Secured Asset is made, or otherwise as to the propriety or regularity of the sale of any Secured Asset; or

16.6 how any money paid to the Lender or a Receiver, or their respective nominees or agents, is applied.

17. *Consolidation of mortgages*

The restrictions on consolidation of mortgages contained in section 93 of the LPA 1925 shall not apply to this Deed.

18. Rights of Lender or Receiver to remedy breach

If the Chargor defaults in its performance of any of the undertakings under Clause 6 (Undertakings) or other obligations in this Deed, the Lender or any Receiver may (but shall not be obliged to) do whatever may be necessary to rectify the default or protect the Lender's interest under this Deed (including, if applicable, entering the Chargor's Real Property without becoming liable as mortgagee in possession) at the expense of the Chargor.

19. Application of money received by the Lender or a Receiver

19.1 Application of recoveries

Any money received under this Deed shall, subject to the discharge of any prior-ranking claims, be paid or applied in the following order of priority:

19.1.1 in payment of the remuneration of the Receiver and the costs of realisation incurred by the Lender and/or the Receiver including all costs, charges and expenses of or incidental to any exercise of any power conferred by this Deed;

19.1.2 in or towards the payment of any debts or other amounts which are by statute made payable in preference to the Secured Obligations, to the extent that such debts or other amounts are made so payable;

19.1.3 in or towards satisfaction of the Secured Obligations in such order as the Lender determines, in its absolute discretion; and

19.1.4 as to the surplus, if any, to the Chargor or to any other person or persons entitled to it.

19.2 Credit to a suspense account

The Lender may, in its absolute discretion on or at any time or times after demand and pending the payment to the Lender of the whole of the Secured Obligations, place and keep to the credit of an interest-bearing separate or suspense account any money received, recovered or realised by the Lender under or in connection with this Deed for so long and in such manner as the Lender may determine without any intermediate obligation on its part to apply the same or any part of such money in or towards the discharge of any of the Secured Obligations.

20. Default interest

If the Chargor fails to make any payment due under this Deed on its due date, interest on the unpaid amount shall accrue daily, from the date of non-payment to the date of actual payment (both before and after judgment) at the rate specified in, and in accordance with the Facility Agreement and the Chargor undertakes to pay any such interest to the Lender immediately on demand by the Lender.

21. Costs, expenses and indemnity

21.1 The Chargor must, within 7 (seven) Business Days of demand by the Lender, pay to the Lender all costs and expenses (including legal fees) together with VAT on such amounts incurred by the Lender arising at any time in connection with:

21.1.1 the negotiation, preparation, execution or perfection of this Deed (or the Security Interests created by it) including pursuant to Clauses 8 (Perfection of security) and 9 (Further assurance); and/or

21.1.2 responding to, considering or implementing any request for a consent, amendment or waiver to this Deed.

21.2 The Chargor must, within 3 (THREE) Business Days of demand by the Lender, pay to the Lender on a full indemnity basis all costs, losses and liabilities (including legal fees)

together with VAT thereon incurred by or on behalf of the Lender arising at any time as a result of or in connection with:

21.2.1 the occurrence of an Event of Default; or

21.2.2 the preservation and/or enforcement of any of the rights of the Lender under this Deed.

22. Payments

22.1 All sums payable by the Chargor under this Deed must be paid in Sterling in full without any set-off or counterclaim and in cleared funds no later than 11 am on the day in question to such account as the Lender may have specified for this purpose.

22.2 Where the day on or by which any payment is to be made is not a Business Day, that payment must be made on or by the preceding Business Day.

23. Currency indemnity

23.1 The Chargor must, as an independent obligation, indemnify the Lender against any loss or liability which the Lender incurs as a consequence of:

23.1.1 the Lender receiving an amount in respect of the Chargor's liability under this Deed; or

23.1.2 that liability being converted into a claim, proof, judgment or order,

in a currency other than Sterling.

23.2 Unless otherwise required by law, the Chargor waives any right it may have in any jurisdiction to pay any amount under this Deed in a currency other than Sterling.

24. Set-off

24.1 Retention and set-off

The Lender may retain any money standing to the credit of any of the Chargor's bank accounts with the Lender (in any currency) as cover for any of the Secured Obligations and/or may at any time, without notice to the Chargor, combine or consolidate all or any of such money with all or such part of the Secured Obligations as the Lender may select, whether presently payable or not, and the Lender may purchase with any such money any other currency required to effect such combination.

24.2 Power to sign documents

The Chargor irrevocably authorises the Lender in its name and at its expense to perform such acts and sign such documents as may be required to give effect to any set-off or transfer pursuant to Clause 24.1 (Retention and set-off), including the purchase with the money standing to the credit of any such bank account of such other currencies as may be necessary to effect such set-off or transfer.

24.3 No security

This Clause 24 (Set-off) gives to the Lender a contractual right of set-off only, and does not create any equitable charge or other Security Interest over any credit balance of the Chargor.

25. Information

The Lender may from time to time seek from any other creditor or provider of finance to the Chargor such information about the Chargor and its affairs as the Lender may think fit and the Chargor directs such third party to provide such information to the Lender.

26. Transfers

26.1 Right of Lender to transfer

The Lender is entitled at any time to assign its rights or otherwise transfer all or any part of its rights or obligations under this Deed or any notice and/or acknowledgement referred to in Clause 8.3 (Notices of charge and/or assignment) to any party to whom *it has assigned its rights or otherwise transferred its rights or obligations under the Facility* Agreement, in accordance with the provision of the Facility Agreement.

26.2 No right of Chargor to transfer

The Chargor is not entitled to assign its rights or otherwise transfer all or any part of its rights or obligations under this Deed.

26.3 Disclosure

The Chargor irrevocably authorises the Lender to disclose any information concerning the Chargor, this Deed or the Secured Obligations to:

26.3.1 any prospective assignee or transferee referred to in Clause 26.1 (Right of Lender to transfer) and any other person considered by the Lender to be concerned in the prospective assignment or transfer; and

26.3.2 any person who, as part of the arrangements made in connection with any transaction referred to in Clause 26.1 (Right of Lender to transfer), requires such information after the transaction has been effected.

27. Notices

27.1 Any notice or other communication given by a party under this Deed must:

27.1.1 be in writing and in English; and

27.1.2 be signed by or on behalf of the party giving it.

27.2 Notices will be sent to:

27.2.1 Chargor-Attention: Alan Day of Abergavenny Construction Limited, whose registered office is at Golden Valley Accountancy, Unit 4 Westwood *Industrial Estate, Pontrilas, Hereford, HR2 0EL; and*

27.2.2 Lender-Attention: Philip Ledger at: M5 Associates Limited, 12 Gold Tops, Newport, Gwent, NP20 4PH, admin@m5associates.com

27.3 A Party may change any of its details given in Clause 27.2 by giving not less than 5 (FIVE) Business Days' notice to the other Party.

27.4 Notices may be given and will be deemed received:

27.4.1 by hand: on receipt of a signature at the time of delivery;

27.4.2 by pre-paid first class post: at 9.00 am on the 2nd (second) Business Day after posting; and

27.4.3 by facsimile: on receipt of a transmission report from the correct number confirming uninterrupted and error-free transmission.

27.5 This Clause 27 (Notices) does not apply to any notice given in legal proceedings, arbitration or other dispute resolution proceedings.

27.6 A notice given under this Deed is not validly served if sent by email.

28. Amendments

No amendment, waiver or variation of any of the terms of this Deed will be valid or effective unless made in writing and executed by or on behalf of the Parties.

29. Remedies and waivers

29.1 No failure, delay or omission by the Lender in exercising any right, power or remedy provided by law or under this Deed shall operate as a waiver of that right, power or remedy, nor shall it preclude or restrict any future exercise of that or any other right, power or remedy.

29.2 No single or partial exercise of any right, power or remedy provided by law or under this Deed shall prevent any future exercise of it or the exercise of any other right, power or remedy.

29.3 The Lender's rights, powers and remedies under this Deed are cumulative and they do not exclude any rights or remedies that arise by law.

29.4 Any release, waiver or discharge of the whole or any part of the Secured Obligations or any consent, approval or waiver given by the Lender in relation to this Deed shall *only be effective for that specific purpose and for the terms and conditions upon which* it was granted.

30. Continuing and additional security

30.1 This Deed is a continuing security for the Secured Obligations in favour of the Lender and shall extend to cover the ultimate balance due at any time from the Chargor to the Lender under the Finance Documents, notwithstanding any intermediate payment or settlement of account (whether in whole or in part) or any other matter whatever.

30.2 The Security Interests constituted by this Deed are in addition to and do not prejudice, *nor are they in any way prejudiced by, any other Security Interest (other than any* Security Interest arising under or pursuant to any Permitted Security), guarantee or right

of set-off, combination or other rights exercisable by the Lender against the Chargor or any Security Interest, guarantee, indemnity and/or negotiable instrument now or in the future held by the Lender.

31. Opening of new accounts

31.1 If the Lender receives notice (whether actual or constructive) that the Chargor has created a Security Interest over any of the Secured Assets, the Lender may rule off the Chargor's account or accounts and open one or more new accounts with the Chargor.

31.2 If the Lender does not open any such new account or accounts, it shall nevertheless be treated as if it had done so at the time when it received such notice and from that time, all payments made by the Chargor to the Lender shall be treated as having been credited to such new account or accounts and shall not operate to reduce the Secured Obligations.

32. No prejudice

32.1 The Security Interests created, or intended to be created, by or pursuant to this Deed shall not be prejudiced by any unenforceability or invalidity of any other agreement or document.

32.2 The Lender may in its discretion grant time or other indulgence or make any other arrangement, variation or release with any person who is not a Party without prejudicing, affecting or impairing the Security Interests created by or pursuant to it, or any of the powers, rights or remedies of the Lender under this Deed or the exercise of any one of them or other obligation or liability of the Chargor to the Lender.

33. No merger

Nothing contained in this Deed shall operate so as to merge or otherwise prejudice, affect or exclude any other Security Interest which the Lender may for the time being hold for the Secured Obligations or would have but for this Deed.

34. Evidence of debt

34.1 A copy of any entry in the Lender's accounts shall in any legal proceedings arising out of or in connection with this Deed be prima facie evidence of the matters, transactions and accounts to which it relates.

34.2 A certificate by the Lender as to any sum payable to it under this Deed shall, in the absence of manifest error, be conclusive evidence of the matters, transactions and accounts to which it relates.

35. Redemption of security and releases

Subject to and without prejudice to Clause 36 (Conditional discharge), on the irrevocable and unconditional payment and discharge in full of the Secured Obligations, the Lender shall, at the request and cost of the Chargor:

35.1 take whatever action is necessary to release and cancel the Security Interests created by or pursuant to this Deed;

35.2 procure the reassignment to the Chargor of the property and assets assigned to the Lender pursuant to this Deed; and

35.3 return all deeds, account mandates, signing authorities and other documents of title delivered to the Lender under this Deed,

in each case without recourse to, or any representation or warranty by, the Lender or any of its nominees.

36. Conditional discharge

36.1 Any release, settlement or discharge between the Lender and the Chargor will be conditional upon no security, disposition or payment to the Lender by the Chargor or any other person in respect of the Secured Obligations being avoided, set aside, reduced or ordered to be refunded by virtue of any statutory provision relating to insolvency or liquidation or for any reason whatsoever.

36.2 If any such release, settlement or discharge is so avoided, set aside, reduced or ordered to be refunded, the liability of the Chargor under this Deed shall continue or be reinstated and the Lender shall be entitled to recover the value or amount of any such security, disposition or payment from the Chargor as if the release, settlement or discharge had not occurred.

36.3 Subject to Clauses 36.1 and 36.2, the Lender shall be entitled to retain this Deed after as well as before payment of all the Secured Obligations for such period as the Lender may determine.

37. Partial invalidity

37.1 If any provision of this Deed (or part of any provision of this Deed) is or becomes illegal, invalid or unenforceable, the legality, validity and enforceability of any other provision of this Deed (or other part of that provision of this Deed) shall not be affected.

37.2 If any provision of this Deed (or part of any provision of this Deed) is or becomes illegal, invalid or unenforceable but would be legal, valid or enforceable if some part of it was deleted or modified, the provision or part-provision in question shall apply with such deletions or modifications as may be necessary to make the provision legal, valid and enforceable. In the event of such deletion, the Parties shall negotiate in good faith in order to agree the terms of a mutually acceptable alternative provision in place of the provision or part-provision so deleted.

38. Counterparts

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

38.2 Each Party may evidence their execution of this Deed by faxing or by emailing an executed signature page of this Deed in PDF format together with the final version of this Deed in PDF or Word format, which shall constitute an original executed counterpart of this Deed. Each Party adopting this method of execution will, following circulation by fax or by email, provide the original, hard copy executed signature page to the other Party as soon as reasonably practicable.

39. Governing law and jurisdiction

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

39.2 The Parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claims arising out of or in connection with this Deed, its subject matter or formation (including non-contractual disputes or claims) provided that nothing contained in this Deed shall be taken to limit the right of the Lender to bring proceedings in any other jurisdiction or jurisdictions whether concurrently or not. The Chargor further agrees not to initiate any proceedings against the Lender in any jurisdiction other than the courts of England and Wales.

This **DEED** has been executed and delivered as a deed and is intended to take effect as a deed by the Parties on the date written at the beginning of this Deed.

Schedule 1 Specific Properties

Part 1 The freehold Specific Property

Description of freehold real property	*Title number of freehold real property, as evidence of Chargor's title*

Part 2 The leasehold Specific Property

Name or other short form identification of the leasehold real property	*Description of lease, parties and date of lease (including any amendments and variations) under which the leasehold real property is held*	*Description of leasehold real property*	*Title number of leasehold real property, as evidence of Chargor's title*

Schedule 2 Specific Shares and Investments

Name and registered number of company in which shares are held	***Class of shares held***	***Number of shares***
[•], a company incorporated in England & Wales under number [•], whose registered office is at [•]	[ordinary share(s)] of £[•] each	[•]]

Schedule 3 Specific Contracts

Name of the contract	***Parties and date of contract***	***Brief description of contract***]

Schedule 4 Specific Insurance Policies

Insurer	*Insured*	*Policy details (type, date and duration of policy and date of renewal)*	*Policy number*]

Schedule 5 Insurance Policies—Form of notice of assignment and acknowledgement

Part 1 Form of notice of assignment to insurer

[TO BE PRINTED ON THE HEADED NOTEPAPER OF THE Chargor]

To: [INSERT NAME AND ADDRESS OF THE RELEVANT INSURER]

Date: [•]

Dear Sirs,

[INSERT BRIEF DESCRIPTION OF THE RELEVANT INSURANCE POLICY]

1. We refer to the debenture dated [•] and granted by us as chargor (the 'Chargor') in favour of [INSERT NAME OF LENDER] (the 'Lender') (the 'Debenture').

2. We refer to the insurance policy effected by us as the policy holder, with you as the insurer relating to [INSERT BRIEF DESCRIPTION OF RELEVANT POLICY AND RISKS COVERED], with policy number [•] and any policy that may be effected to renew, substitute or replace such insurance policy (the Insurance Policy).

3. We give you notice that pursuant to the terms of the Debenture, we have assigned (and, to the extent not validly or effectively assigned, we have charged by way of fixed charge) to the Lender by way of security all of our rights and claims from time to time arising in relation to the Insurance Policy including the benefit of all claims arising and all money payable under the Insurance Policy.

4. With effect from the date of receipt of this notice, you shall:

4.1 immediately inform the Lender if we default in the payment of any premium or fail to renew the Insurance Policy and, pending receipt of instructions from the Lender, keep the Lender's interest in the Insurance Policy in full force and effect for the full amount insured and for the same risks, subject to any premium for any such period of extended cover being payable by the Lender on behalf of us;

4.2 advise the Lender of any proposed cancellation of the Insurance Policy at least 30 days before the cancellation is due to take effect; and

4.3 if, in relation to the Insurance Policy, the insurance cover is to be reduced or any insured risks are to be restricted, advise the Lender at least 30 days before the reduction or restriction is due to take effect.

5. You must not (without the Lender's prior written consent) exercise any right of set-off or counterclaim in relation to any amounts owed under or in connection with the Insurance Policy.

6. We irrevocably and unconditionally instruct and authorise you, without requiring further approval from us, to:

6.1 promptly disclose to the Lender such information relating to the Insurance Policy as the Lender may at any time request; and

6.2 provide the Lender with copies of all correspondence given to or received from us under the Insurance Policy promptly after it is given or received.

7. The authority and instructions contained in this notice cannot be revoked or varied by us without the prior written consent of the Lender.

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

9. Please acknowledge safe receipt of this notice within [•] days of receipt of this notice, by signing, dating and returning the attached acknowledgement directly to the Lender at [INSERT NAME AND ADDRESS], (marked for the attention of [INSERT NAME OF INDIVIDUAL AND/OR POSITION]) and by sending a copy to us at [INSERT NAME AND ADDRESS], (marked for the attention of [INSERT NAME OF INDIVIDUAL AND/OR POSITION]).

Yours faithfully

.....

Director/Authorised signatory

for and on behalf of [INSERT NAME OF THE CHARGOR]

Part 2 Form of acknowledgement of notice of assignment from insurer

[TO BE PRINTED ON THE HEADED NOTEPAPER OF THE RELEVANT INSURER]

To: [INSERT NAME AND ADDRESS OF THE LENDER]

For the attention of: [INSERT NAME OF INDIVIDUAL AND/OR POSITION]

Copy to: [INSERT NAME AND ADDRESS OF CHARGOR]

For the attention of: [INSERT NAME OF INDIVIDUAL AND/OR POSITION]

Date: [•]

Dear Sirs,

[INSERT BRIEF DESCRIPTION OF THE RELEVANT INSURANCE POLICY]

1. We acknowledge receipt of the notice of assignment dated [•] and sent to us by [INSERT NAME OF CHARGOR] (the 'Chargor') in connection with the insurance policy effected by the Chargor as the policy holder, with us as the insurer relating to [INSERT BRIEF DESCRIPTION OF RELEVANT POLICY AND RISKS COVERED], with policy number [•] and any policy that may be effected to renew, substitute or replace such insurance policy (the Insurance Policy) (the 'Notice').

2. [We hereby consent, notwithstanding any provision to the contrary in the Insurance Policy, to the assignment (and, to the extent not validly or effectively assigned, to the fixed charge) of the Insurance Policy under the Debenture (as defined in the Notice).]

3. In consideration of your agreement to make available certain loan facilities to the Chargor, we accept the instructions and authorisations contained in the Notice and agree to comply with the terms of the Notice.

4. We also agree that you are entitled at any time to assign your rights under this acknowledgement to any party to whom you have assigned or otherwise transferred your rights under the Debenture.

5. We confirm that we have not received notice of any other assignment, charge or other third party interest whatsoever of or in any of the rights, title or interest of the Chargor under the Insurance Policy.

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

Yours faithfully

.....

Director/Authorised signatory

for and on behalf of [INSERT NAME OF THE INSURER]]

Schedule 6 Specific Contracts—Form of notice of assignment and acknowledgement

Part 1 Form of notice of assignment to contract counterparty

[TO BE PRINTED ON THE HEADED NOTEPAPER OF THE CHARGOR]

To: [INSERT NAME AND ADDRESS OF THE RELEVANT CONTRACT COUNTERPARTY]

Date: [•]

Dear Sirs,

[INSERT BRIEF DESCRIPTION OF THE RELEVANT ASSIGNED CONTRACT]

1. We refer to the debenture (the 'Debenture') dated [•] and granted by us as chargor (the 'Chargor') in favour of [INSERT NAME OF LENDER] (the 'Lender').

2. We refer to the contract relating to [INSERT DESCRIPTION OF RELEVANT CONTRACT] dated [•] and entered into between us as [•] and you, [INSERT NAME OF RELEVANT COUNTERPARTY], as [•] (as amended, novated, supplemented, restated or replaced from time to time) (the 'Contract').

3. We give you notice that pursuant to the terms of the Debenture, we have assigned (and, to the extent not validly or effectively assigned, we have charged by way of fixed charge) to the Lender by way of security all of our rights, title and interest from time to time in, and the full benefit of, the Contract and all rights, title and interest in any amounts payable to us under the Contract, including any claims for damages in respect of any breach of the Contract.

4. [With effect from the date of receipt of this notice OR Upon receiving a written notice from the Lender that an 'Event of Default' (as defined or incorporated by reference in the Debenture) has occurred [which is continuing]]:

4.1 you shall treat the Lender as entitled to exercise all rights exercisable by us under the Contract;

4.2 you are authorised and instructed, without requiring further approval from us, to comply with your obligations (including without limitation your payment obligations) under the Contract in accordance with the written instructions of the Lender from time to time (and to hold the money for any such payments to the Lender's order pending receipt of written instructions from the Lender); and

4.3 subject to paragraph 6 below, you shall allow the Lender to perform all the obligations assumed by us under the Contract.

5. You shall not be released from your obligations under the Contract without the prior written consent of the Lender.

6. We shall remain liable to perform all our obligations under the Contract and the Lender shall be under no obligation of any kind whatsoever in respect of the Contract.

7. You must not (without the Lender's prior written consent):

7.1 amend, novate, supplement, restate or replace the Contract;

7.2 agree to any waiver or release of any of your obligations under the Contract; or

7.3 exercise any right of set-off or counterclaim in relation to any amounts owed under or in connection with the Contract.

8. We irrevocably and unconditionally instruct and authorise you, without requiring further approval from us, to:

8.1 promptly disclose to the Lender such information relating to the Contract as the Lender may at any time request including, without limitation, all information, accounts and records in your possession or control that may be necessary or of assistance to enable the Lender to verify (i) the amount of all payments made or payable under the Contract by you or (ii) the performance by you of all your obligations under the Contract; and

8.2 provide the Lender with copies of all notices given to or received from us under the Contract promptly after they are given or received.

9. The authority and instructions contained in this notice cannot be revoked or varied by us without the prior written consent of the Lender.

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

11. Please acknowledge safe receipt of this notice within [•] days of receipt of this notice, by signing, dating and returning the attached acknowledgement directly to the Lender at [INSERT NAME AND ADDRESS], (marked for the attention of [INSERT NAME OF INDIVIDUAL AND/OR POSITION]) and by sending a copy to us at [INSERT NAME AND ADDRESS], (marked for the attention of [INSERT NAME OF INDIVIDUAL AND/OR POSITION]).

Yours faithfully

.....

Director/Authorised signatory

for and on behalf of [INSERT NAME OF THE CHARGOR]

Part 2 Form of acknowledgement of notice of assignment from contract counterparty

[TO BE PRINTED ON THE HEADED NOTEPAPER OF THE RELEVANT CONTRACT COUNTERPARTY]

To: [INSERT NAME AND ADDRESS OF THE LENDER]

For the attention of: [INSERT NAME OF INDIVIDUAL AND/OR POSITION]

Copy to: [INSERT NAME AND ADDRESS OF CHARGOR]

For the attention of: [INSERT NAME OF INDIVIDUAL AND/OR POSITION]

Date: [•]

Dear Sirs,

[INSERT BRIEF DESCRIPTION OF THE RELEVANT ASSIGNED CONTRACT] **(the 'Contract')**

1. We acknowledge receipt of the notice of assignment dated [•] and sent to us by [INSERT NAME OF CHARGOR] (the 'Chargor') in connection with the Contract (the 'Notice').

2. [We hereby consent, notwithstanding any provision to the contrary in the Contract, to the assignment (and, to the extent not validly or effectively assigned, to the fixed charge) of the Contract under the Debenture (as defined in the Notice).]

3. In consideration of your agreement to make available certain loan facilities to the Chargor, we accept the instructions and authorisations contained in the Notice and agree to comply with the terms of the Notice.

4. We also agree that:

4.1 we will not exercise or seek to exercise any right we may have to terminate the Contract or treat it as terminated without first giving you not less than [15] working days' prior written notice specifying our grounds for terminating the Contract or treating it as terminated;

4.2 we will not terminate the Contract or treat it as terminated, if:

4.2.1 any breach giving rise to the right to terminate the Contract is remedied within [15] working days from the date of the notice sent to you and referred to in paragraph (4.1) above (the 'Cure Period'); or

4.2.2 before the expiry of the Cure Period, you have agreed to enter into and called upon us to execute a novation agreement in form and substance acceptable to you by which you assume the rights and obligations of the Chargor under the Contract, but giving credit to you for sums already paid by or on behalf of the Chargor pursuant to the Contract, and so that upon being called upon to execute any such novation agreement we will execute the same;

4.3 we will provide you promptly with any documents or other relevant information you may from time to time request in order to perform the obligations of the Chargor under the Contract; and

4.4 you are entitled at any time to assign your rights under this acknowledgement to any party to whom you have assigned or otherwise transferred your rights under the Debenture.

5. We confirm that we have not received notice of any other assignment, charge or other third party interest whatsoever of or in any of the rights, title or interest of the Chargor under the Contract.

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

Yours faithfully

.....

Director/Authorised signatory

for and on behalf of [INSERT NAME OF THE RELEVANT CONTRACT COUNTERPARTY]]

EXECUTION PAGE

THE Chargor

Executed as a deed by **Abergavenny Construction Limited**	X ..... Director
	X ..... Director OR Secretary

The Lender

Signed by for and on behalf of M5 Associates *Limited.*

.....

Authorised signatory/signatories