



**Registration of a Charge**

Company Name: **MORION 1 LIMITED**

Company Number: **07720426**



Received for filing in Electronic Format on the: **11/10/2021**

XAEV902Z

**Details of Charge**

Date of creation: **30/09/2021**

Charge code: **0772 0426 0006**

Persons entitled: **LLOYDS BANK PLC AS SECURITY AGENT**

Brief description: **THE LAND KNOWN AS OR BEING THE HIPPODROME, CRANBOURN STREET, LONDON WC2H 7JH WITH TITLE NUMBER NGL978229.**

**Contains fixed charge(s).**

**Contains negative pledge.**

**Authentication of Form**

This form was authorised by: **a person with an interest in the registration of the charge.**

**Authentication of Instrument**

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

Certified by: **OSBORNE CLARKE LLP**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 7720426

Charge code: 0772 0426 0006

The Registrar of Companies for England and Wales hereby certifies that a charge dated 30th September 2021 and created by MORION 1 LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 11th October 2021 .

Given at Companies House, Cardiff on 13th October 2021

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



**Companies House**



**THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES**

## EXECUTION



We certify that, save for material redacted pursuant to s. 859G of the Companies Act 2006, this copy instrument is a correct copy of the original instrument.

Dated this **07 October 2021**

Signed *Osborne Clarke LLP*

Osborne Clarke LLP  
One London Wall  
London  
EC2Y 5EB

## Legal Mortgage

- (1) Morion 1 Limited and Morion 2 Limited as Chargors
- (2) Lloyds Bank plc as Security Agent

Dated **30 September 2021**

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**This Deed** is made on

30 September 2021

**Between:**

- (1) **Morion 1 Limited** (company number 07720426) and **Morion 2 Limited** (company number: 07720440) in each case whose registered office is at 22 Chancery Lane, London, WC2A 1LS (each a "**Chargor**" and together the "**Chargors**"); and
- (2) **Lloyds Bank plc** as agent and trustee for the Secured Parties (the "**Security Agent**").

**This Deed** witnesses as follows:

**1. Definitions and interpretation**

**1.1 Definitions**

Unless otherwise defined in this Deed, terms defined in the Facility Agreement shall have the same meanings when used in this Deed and, unless the context otherwise requires, the following definitions shall apply:

**"Agreement for Lease"** means an agreement to grant an Occupational Lease for all or part of the Property.

**"Borrower"** means New Pool Financing Limited (company number: 11298552).

**"Charged Property"** means all the assets, property and undertaking for the time being subject to any Security created by this deed (and references to the Charged Property shall include references to any part of it).

**"Environment"** means humans, animals, plants and all other living organisms including the ecological systems of which they form part and the following media:

- (a) (including, without limitation, air within natural or man-made structures, whether above or below ground);
- (b) water (including, without limitation, territorial, coastal and inland waters, water under or within land and water in drains and sewers); and
- (c) land (including, without limitation, land under water).

**"Environmental Claim"** means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law.

**"Environmental Law"** means any applicable law or regulation which relates to:

- (a) the pollution or protection of the Environment;
- (b) the conditions of the workplace; or
- (c) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment, including, without limitation, any waste.

**"Environmental Permits"** means any permit and other Authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of any Obligor conducted on or from the properties owned or used by any Obligor.

**"Existing Security"** means:

- (a) a legal mortgage dated 10 December 2018 over the Property and related assets entered into by the Chargors in favour of Lloyds Bank plc, acting as security agent under the Facility Agreement;
- (b) a legal mortgage dated 6 February 2019 over the Property and related assets entered into by the Chargors in favour of Lloyds Bank plc, acting as security agent under the Conger Facility Agreement;
- (c) a legal mortgage dated 19 September 2019 over the Property and related assets entered into by the Chargors in favour of Lloyds Bank plc, acting as security agent under the Conger Facility Agreement; and
- (d) a legal mortgage dated on or about the date of this Deed over the Property and related assets entered into by the Chargors in favour of Lloyds Bank plc, acting as security agent under Conger Facility Agreement.

**"Facility Agreement"** means an agreement dated 10 December 2018 and made between, among others, the Borrower and the Security Agent under which the Original Lender has made available a loan facility to the Borrower, as amended by an amendment letter dated 19 September 2019 and as amended and restated by an amendment and restatement agreement dated on or around the date of this Deed, and as may be further amended, novated, supplemented, extended or restated from time to time.

**"Finance Costs Account"** has the meaning given to that term in the Facility Agreement.

**"Finance Documents"** means the Finance Documents, in each case as defined in the Facility Agreement and in each case as amended, novated, supplemented, extended or restated from time to time.

**"Insurance Proceeds"** means all monies from time to time payable to any Chargor under or pursuant to the Insurances in respect of the Charged Property, including the refund of any premium.

**"Insurances"** means all policies of insurance and all proceeds of them either now or in the future held by, or written in favour of, any Chargor or in which it is otherwise interested, but excluding any third party liability or public liability insurance and any directors' and officers' insurance.

**"Lease Document"** means:

- (a) an Agreement for Lease;
- (b) an Occupational Lease; or
- (c) any other document designated, in writing, as such by the Agent and any Chargor.

**"LPA"** means the Law of Property Act 1925.

**"Occupational Lease"** means any lease or licence or other right of occupation or right to receive rent to which the Property may at any time be subject and includes any guarantee of a tenant's obligations under the same.

**"Party"** means a party to this Deed.

**"Property"** means:

- (a) all of the freehold and/or leasehold property of each Chargor described in Schedule 1 (*The Property*);

- (b) any buildings, fixtures, fittings, plant and machinery from time to time on or forming part of the property referred to in paragraph (a); and
- (c) any Related Rights arising in relation to any of the assets described in paragraphs (a) and (b).

**"Receiver"** means a receiver or receiver and manager of the whole or any part of the Charged Property.

**"Related Rights"** means, where used in relation to an asset, the following:

- (a) the proceeds of sale and/or other realisation of that asset (or any part thereof or interest therein);
- (b) all Security, Authorisations, options, agreements, rights, easements, benefits, indemnities, guarantees, warranties or covenants for title in respect of such asset; and
- (c) all rights under any lease, licence or agreement for lease, sale or use in respect of such asset.

**"Rental Income"** means the aggregate of all amounts paid or payable to or for the account of each Chargor in connection with the letting, licence or grant of other rights of use or occupation of any part of the Property, including each of the following amounts:

- (a) rent, licence fees and equivalent amounts paid or payable;
- (b) any sum received or receivable from any deposit held as security for performance of a tenant's obligations;
- (c) a sum equal to any apportionment of rent allowed in favour of a Chargor;
- (d) any other monies paid or payable in respect of occupation and/or usage of that Property and any fixture and fitting on that Property including any fixture or fitting on that Property for display or advertisement, on licence or otherwise;
- (e) any sum paid or payable under any policy of insurance in respect of loss of rent or interest on rent;
- (f) any sum paid or payable, or the value of any consideration given, for the grant, surrender, amendment, supplement, waiver, extension or release of any Lease Document;
- (g) any sum paid or payable in respect of a breach of covenant or dilapidations under any Lease Document;
- (h) any sum paid or payable by or distribution received or receivable from any guarantor of any occupational tenant under any Lease Document;
- (i) any Tenant Contributions; and
- (j) any interest paid or payable on, and any damages, compensation or settlement paid or payable in respect of, any sum referred to above less any related fees and expenses incurred (which have not been reimbursed by another person) by any Chargor.

**"Secured Liabilities"** means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of any Chargor and each other Transaction Obligor to any Secured Party under each Finance Document.

**"Security Period"** means the period from the date of this Deed until the date on which the Security Agent has determined (acting reasonably) that all of the Secured Liabilities have been irrevocably and unconditionally paid and discharged in full and that no commitment is outstanding.

**"Tenant Contributions"** means any amount paid or payable to any Chargor by any tenant under a Lease Document or any other occupier of the Property, by way of:

- (a) contribution to:
  - (i) ground rent;
  - (ii) insurance premia;
  - (iii) the cost of an insurance valuation;
  - (iv) a service or other charge in respect of any Chargor's costs in connection with any management, repair, maintenance or similar obligation or in providing services to a tenant of, or with respect to, the Property; or
  - (v) a reserve or sinking fund; and/or
- (b) VAT.

## 1.2 **Construction**

- (a) Unless a contrary intention appears, sub-clause 1.2 (*Construction*) and sub-clause 1.4 (*Third party rights*) of the Facility Agreement apply to this Deed, and shall be deemed to be incorporated into this Deed, mutatis mutandis, as though set out in full in this Deed, with any reference to **"this Agreement"** being deemed to be a reference to **"this Deed"**, subject to any necessary changes.
- (b) Any references to the Security Agent or any Receiver shall include its Delegate.
- (c) Unless a contrary indication appears, references to clauses and schedules are to clauses of and schedules to this Deed and references to sub-clauses and paragraphs are references to sub-clauses and paragraphs of the clause or schedule in which they appear.

## 1.3 **Law of Property (Miscellaneous Provisions) Act 1989**

To the extent necessary for any agreement for the disposition of the Charged Property in this Deed to be a valid agreement under section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the other Finance Documents and of any side letters between the parties to this Deed are incorporated into this Deed.

## 1.4 **Implied covenants for title**

The obligations of any Chargor under this Deed shall be in addition to the covenants for title deemed to be included in this Deed by virtue of Part I of the Law of Property (Miscellaneous Provisions) Act 1994.

## 1.5 **Effect as a Deed**

This Deed is intended to take effect as a deed notwithstanding that the Security Agent may have executed it under hand only.

## 1.6 **Trusts**



- (a) The Security Agent holds the benefit of this Deed on trust for the Secured Parties in accordance with the terms of the Facility Agreement.
- (b) The perpetuity period for any trusts created by this Deed is 125 years.

## **1.7 Finance Document**

This Deed is a Finance Document.

## **1.8 Limited recourse**

Notwithstanding any other provision of this Deed, it is expressly agreed and understood that:

- (a) the sole recourse of the Secured Parties to each Chargor under or in connection with this Deed is to that Chargor's interest in the Charged Property and no Secured Party may to recover any payment or repayment from any Chargor's other assets or undertaking; and
- (b) the liability of the Chargors to the Secured Parties under or otherwise in connection with this Deed shall be:
  - (i) limited in aggregate to an amount equal to that recovered as a result of enforcement of this Deed with respect to the realisable value of the Charged Property from time to time; and
  - (ii) satisfied only from the proceeds of sale or other disposal or realisation of the Charged Property pursuant to this Deed.

## **1.9 Existing Security**

- (a) It is expressly agreed and understood by the parties to this Deed that the Security constituted by this Deed shall be subject to any prior Security by the parties to this Deed over the Charged Property created by the Existing Security and any reference to the Security constituted by this Deed being first ranking shall be construed accordingly.
- (b) The Security Agent hereby consents to the creation and subsistence of all Security over the Charged Property pursuant to the Existing Security and confirms that no breach of this Deed shall arise as a result of the creation or subsistence of such Security.

## **2. Covenant to pay**

Each Chargor as primary obligor covenants with the Security Agent (as trustee of the Secured Parties) that it will on demand pay to the Security Agent the Secured Liabilities when the same fall due for payment.

## **3. Charged Property**

### **3.1 Fixed charges**

Each Chargor, as security for the payment of the Secured Liabilities, charges in favour of the Security Agent, with full title guarantee, the following assets, from time to time owned by it or in which it has an interest:

- (a) by way of first legal mortgage, the Property; and
- (b) by way of first fixed charge:
  - (i) all or any part of the Property not effectively mortgaged under sub-clause 3.1(a); and

- (ii) if not effectively assigned by way of security pursuant to clause 3.2 (*Security assignment*), all its rights and interests in (and claims under) the assets described in clause 3.2 (*Security assignment*).

### 3.2 **Security assignment**

As security for the payment of the Secured Liabilities, each Chargor assigns, by way of security subject to a proviso for re-assignment on redemption, with full title guarantee to the Security Agent all its rights, title and interest in:

- (a) the Insurance Proceeds;
- (b) all rights and interest in and claims under all Insurances now or in the future held by or for the benefit of each Chargor in respect of the Charged Property (but excluding for the avoidance of doubt any rights and interests in or claims under the Insurances to the extent the same are in respect of assets, property and undertaking other than the Charged Property);
- (c) all Rental Income; and
- (d) any Lease Document;

and all Related Rights in respect of each of the above.

## 4. **Nature of Security**

### 4.1 **Continuing security**

- (a) The Security created by this Deed is to be a continuing security notwithstanding any intermediate payment or settlement of all or any part of the Secured Liabilities or any other matter or thing.
- (b) If any purported obligation or liability of any Transaction Obligor to the Secured Parties which if valid would have been the subject of any obligation or charge created by this Deed is or becomes unenforceable, invalid or illegal on any ground whatsoever whether or not known to any Secured Party, the Chargors shall nevertheless be liable in respect of that purported obligation or liability as if the same were fully valid and enforceable and the Chargors were the principal debtors in respect thereof. Each Chargor agrees to keep the Secured Parties fully indemnified against all damages, losses, costs and expenses arising from any failure of any Transaction Obligor to carry out any such purported obligation or liability.
- (c) The obligations and liabilities of each Chargor under this Deed will not be affected by any act, omission, matter or thing which, but for this paragraph, would reduce, release or prejudice any of its obligations or liabilities under this Deed (without limitation and whether or not known to any Secured Party) including:
  - (i) any time, waiver or consent granted to, or composition with, any Transaction Obligor or other person;
  - (ii) the release of any Transaction Obligor or any other person under the terms of any composition or arrangement with any creditor of any person;
  - (iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over any assets of any Transaction Obligor or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;

- (iv) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Transaction Obligor or any other person;
  - (v) any amendment (however fundamental) or replacement of any Finance Document or any other document or Security;
  - (vi) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or Security; or
  - (vii) any insolvency or similar proceedings.
- (d) Until the Security Period has ended and unless the Security Agent otherwise directs, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under this Deed:
- (i) to be indemnified by any other Transaction Obligor (including any rights it may have by way of subrogation);
  - (ii) to claim any contribution from any guarantor of any other Transaction Obligor of the obligations under the Finance Documents;
  - (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any right of the Security Agent or any of the other Secured Parties under any Finance Document or of any other guarantee or Security taken pursuant to, or in connection with, the Finance Documents;
  - (iv) to claim, rank, prove or vote as a creditor of any other Transaction Obligor or its estate in competition with the Security Agent or any of the other Secured Parties; and/or
  - (v) receive, claim or have the benefit of any payment, distribution or security from or on account of any other Transaction Obligor, or exercise any right of set-off against any other Transaction Obligor.
- (e) Each Chargor shall hold on trust for and immediately pay or transfer to the Security Agent any payment or distribution or benefit of Security received by it contrary to this sub-clause.
- (f) Each Chargor waives any right it may have of first requiring the Security Agent to proceed against or enforce any other rights or Security or claim payment from any person before claiming from a Transaction Obligor under a Finance Document. This waiver applies irrespective of any law or any provision of the Finance Document to the contrary.
- (g) Until the Security Period has ended, the Security Agent may refrain from applying or enforcing any other monies, Security or rights held or received by the Security Agent in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Chargor shall be entitled to the benefit of the same.
- (h) Without prejudice to the generality of clause 4.1(c), each Chargor expressly confirms that it intends that the Security constituted by this Deed shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to the Secured Liabilities as a result of the amendment and/or restatement of the Facility Agreement and/or any of the other Finance Documents and/or any additional facility or amount which is made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness;

making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

#### 4.2 **Non-merger of Security**

The Security created by this Deed is to be in addition to and shall neither be merged with nor in any way exclude or prejudice or be affected by any other Security or other right which the Security Agent may now or after the date of this Deed hold for any of the Secured Liabilities, and this Deed may be enforced against each Chargor without first having recourse to any other rights of the Security Agent.

### 5. **Further assurances and protection of priority**

#### 5.1 **General**

- (a) Each Chargor shall, at its own expense, promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s)):
  - (i) to perfect or protect the Security created or intended to be created under, or evidenced by, this Deed (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of this Deed) or for the exercise of any rights, powers and remedies of the Secured Parties provided by or pursuant to this Deed or by law;
  - (ii) to confer on the Security Agent or confer on the Secured Parties, Security over any assets of that Chargor, located in any jurisdiction, equivalent or similar to the Security intended to be conferred by or pursuant to this Deed and, pending the conferring of such Security, hold such assets upon trust (or in any manner required by the Security Agent) for the Secured Parties; and/or
  - (iii) to facilitate the realisation or enforcement of the assets which are, or are intended to be, the subject of the Security created, or intended to be created, by this Deed.
- (b) Each Chargor shall take all such action (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Secured Parties by or pursuant to this Deed.

#### 5.2 **HM Land Registry**

- (a) In relation to the Property from time to time, each Chargor irrevocably consents to the Security Agent applying to the Chief Land Registrar for a restriction to be entered on the Register of Title of all that Property (including any unregistered properties subject to compulsory first registration at the date of this Deed) on the prescribed Land Registry form and in the following or substantially similar terms:

*"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the legal mortgage dated • in favour of Lloyds Bank plc referred to in the charges register."*

- (b) The Finance Parties must perform their obligations under the Facility Agreement (including any obligation to make available further advances). In relation to the Property, the Security Agent may apply to the Chief Land Registrar for a notice to be

entered onto the Register of Title of all that Property (including any unregistered properties subject to compulsory first registration at the date of this Deed) of the obligation to make further advances.

### 5.3 **Notices**

Each Chargor shall:

- (a) promptly and in any event within 2 Business Days of the date of this Deed, give notice of the assignment of the Insurances under this Deed to its insurers in the form set out in part 2 (*Form of notice to insurers*) of Schedule 2 (*Form of notices*);
- (b) at the request of the Security Agent where an Event of Default is continuing, give notice of the assignment of each Lease Document under this Deed to the relevant tenant in the form set out in part 3 (*Form of notice in relation to a Lease Document*) of Schedule 2 (*Form of notices*);

and, in each case, shall use reasonable endeavours to procure that each person on whom a notice is served, executes and delivers to the Security Agent an acknowledgement of that notice in the relevant form scheduled to this Deed or in such other form as the Security Agent may require.

## 6. **Representations and warranties**

Each Chargor makes the representations and warranties listed below in favour of each of the Secured Parties.

### 6.1 **Charged Property**

- (a) Immediately prior to the date of this Deed, it was the legal owner of the Charged Property with the right to transfer with full title guarantee all or any part of the Charged Property and had good and marketable title to the Charged Property.
- (b) Save in respect of any of the Charged Property that is legally assigned to the Security Agent pursuant to this Deed or the Existing Security, it is the legal owner of the Charged Property with the right to transfer with full title guarantee all or any part of the Charged Property and has good and marketable title to the Charged Property.

### 6.2 **Repetition**

The representations in this clause are deemed to be made by each Chargor by reference to the facts and circumstances then existing on the date of each Utilisation Request, on each Utilisation Date and on the first day of each Interest Period.

## 7. **Undertakings**

### 7.1 **Duration of undertakings**

Each Chargor undertakes to the Security Agent in the terms of this clause for the duration of the Security Period.

### 7.2 **General undertakings**

- (a) *Negative pledge and disposal restrictions*

It will not:

- (i) create or agree to create or permit to subsist or arise any Security over all or any part of the Charged Property; or

- (ii) sell, transfer, lease out, lend or otherwise dispose of all or any part of the Charged Property or agree or attempt to do the same,

except as permitted under the Facility Agreement or this Deed or with the prior written consent of the Security Agent.

(b) *Deposit of documents or title deeds*

It will deposit with the Security Agent:

- (i) to the extent that the relevant documents have not been deposited with a custodian acceptable to the Security Agent or are not held by solicitors to the order of the Security Agent pursuant to an undertaking, all deeds, documents of title (or documents evidencing title or the right to title) and agreements relating to any of the Charged Property; and
- (ii) any other document which the Security Agent may reasonably require for the purposes of perfecting the Security created by this Deed.

(c) *Compliance with laws*

It shall at all times comply with all laws and regulations applicable to it and will obtain and maintain in full force and effect all Authorisations which may at any time be required with respect to any of the Charged Property in each case where failure to do so has or is reasonably likely to have a Material Adverse Effect or could or could reasonably be expected to result in criminal sanctions being imposed on any Party.

(d) *Information*

It shall supply promptly to the Security Agent such information in relation to the Charged Property as the Security Agent may reasonably request.

**8. Property undertakings**

**8.1 Title**

- (a) Each Chargor must exercise its rights and comply in all respects with any covenant, stipulation or obligation (restrictive or otherwise) at any time affecting the Property.
- (b) No Chargor may agree to any amendment, supplement, waiver, surrender or release of any covenant, stipulation or obligation (restrictive or otherwise) at any time affecting the Property.
- (c) Each Chargor must promptly take all such steps as may be necessary or desirable to enable the Security created by this Deed to be registered, where appropriate, at the applicable Land Registry.

**8.2 Occupational Leases**

- (a) No Chargor may without the consent of the Security Agent (such consent not to be unreasonably withheld or delayed):
  - (i) enter into any Agreement for Lease;
  - (ii) other than under an Agreement for Lease, grant or agree to grant any new Occupational Lease;
  - (iii) agree to any amendment, supplement, extension, waiver, surrender or release in respect of any Lease Document;

- (iv) exercise any right to break, determine or extend any Lease Document;
  - (v) commence any forfeiture or irritancy proceedings in respect of any Lease Document; or
  - (vi) serve any notice on any former tenant under any Lease Document (or on any guarantor of that former tenant) which would entitle it to a new lease or tenancy.
- (b) Subject to clause 8.2(c), no Chargor may without the consent of the Security Agent (such consent not to be unreasonably withheld or delayed):
- (i) grant any licence or right to use or occupy any part of the Property;
  - (ii) consent to any sublease or assignment of any tenant's interest under any Lease Document; or
  - (iii) agree to any change of use under, or (except where required to do so under the terms of the relevant Lease Document) rent review in respect of, any Lease Document,

each, a "**Consent Event**".

- (c) Where under the terms of the relevant Lease Document the Chargor(s) are under an obligation to give consent to a Consent Event, the Security Agent shall not withhold its consent under clause 8.2(b) where to do so would cause the Chargor(s) to be in breach of that Lease Document, provided that the obligation on the Security Agent not to withhold its consent contained in this clause 8.2(c) shall not apply where an Event of Default is continuing, or would result from the Consent Event.

- (d) Each Chargor must:

- (i) diligently collect or procure to be collected all Rental Income;
- (ii) exercise its rights and comply with its obligations under each Lease Document unless it demonstrates, to the satisfaction of the Security Agent (acting reasonably) that:
  - (A) it is not required by the relevant Lease Document to perform the relevant obligation by virtue of a breach by the counterparty to that Lease Document;
  - (B) the non-performance by it of the obligation referred to in clause 8.2(d)(ii)(A) does not have and could not reasonably be expected to have a Material Adverse Effect;
  - (C) the Chargors have immediately available funds to fund any court action and all related fees (including, without limitation, all legal fees that may be payable, and damages/awards of court); and
  - (D) each Chargor is taking active steps to resolve the breach described in clause 8.2(d)(ii)(A), and where the relevant Chargor initiates or is engaged in any legal action in relation to such breach, it has complied with any conditions or requirements of the Security Agent (acting reasonably),

provided that each Chargor shall comply with such obligations upon receiving final judgment or arbitrator's award (as the case may be); and

- (iii) use its reasonable endeavours to ensure that each tenant complies with its obligations under each Lease Document,

in a proper and timely manner.

- (e) Following the occurrence of Event of Default which is continuing, the Chargor shall procure that all Net Rental Income shall be paid into the Finance Costs Account.
- (f) Any Lease Prepayment Proceeds must be paid into the Deposit Account for application in accordance with clause 17.4 (*Deposit Account*) of the Facility Agreement.
- (g) Each Chargor must supply to the Agent a copy of each Lease Document, a copy of each amendment (other than any amendment of a purely administrative or clerical nature), supplement or extension to a Lease Document and a copy of each document recording any rent review in respect of a Lease Document promptly upon entering into the same.
- (h) No Chargor may grant or agree to grant any Lease Document without including in the alienation covenant a provision for the proposed assignor on any assignment to guarantee the obligations of the proposed assignee until that assignee is released as tenant under the terms of the Landlord and Tenant (Covenants) Act 1995.

### 8.3 Maintenance

- (a) Each Chargor must ensure (or, to the extent that such matters are the responsibility of a tenant pursuant to an Occupational Lease, enforce its rights under the terms of that Occupational Lease to procure) that all buildings, plant, machinery, fixtures and fittings on the Property are in, and maintained in:
  - (i) good and substantial repair and condition and, as appropriate, in good working order; and
  - (ii) such repair, condition and, as appropriate, good working order as to enable them to be let in accordance with all applicable laws and regulations.
- (b) Each Chargor must carry out any energy efficiency improvements necessary, or take any other steps necessary, to ensure that at all times each part of its Property which is designed to be let can be let or can continue to be let without breaching any applicable laws or regulations in respect of minimum levels of energy efficiency for properties.

### 8.4 Development

- (a) No Chargor may:
  - (i) make or allow to be made or implement any application for planning permission in respect of any part of its Property without the prior written consent of the Agent (such consent not to be unreasonably withheld);
  - (ii) carry out, or allow to be carried out, any demolition, construction, structural alterations or additions, development or other similar operations or change in use in respect of any part of its Property;
  - (iii) enter or agree to enter into any agreement or undertaking under section 106 of the Town and Country Planning Act 1990 or section 33 of the Local Government (Miscellaneous Provisions) Act 1982 or sections 38 or 278 of the Highways Act 1980 or any other similar act or acts without the prior written consent of the Agent; or
  - (iv) enter into any negotiations with any competent authority with regard to the compulsory purchase of its Property or consent to the compulsory purchase of its Property.
- (b) Clause 8.4(a) shall not apply to:



- (i) the maintenance of the buildings, plant, machinery, fixtures and fittings in accordance with the Transaction Documents;
  - (ii) any alterations or improvements which a tenant is entitled to undertake in accordance with the terms of the relevant Lease Document and in respect of which the Chargors in their capacity as landlord are required to give their consent pursuant to the terms of that Lease Document; or
  - (iii) the carrying out of non-structural improvements or alterations which affect only the interior of any building on the Property.
- (c) Each Chargor must comply in all material respects with all planning laws, permissions, agreements, undertakings and conditions to which the Property may be subject.
  - (d) Each Chargor must notify the Agent immediately on becoming aware that its Property is compulsorily purchased or the applicable governmental agency or authority makes an order for the compulsory purchase of the same.

#### 8.5 **Notices**

- (a) Each Chargor must, within 14 days after the receipt by it of any application, requirement, order or notice served or given by any public or local or any other authority or any landlord with respect to its Property (or any part of it) or to the area in which it is situate:
  - (i) deliver a copy to the Security Agent; and
  - (ii) inform the Security Agent of the steps taken or proposed to be taken to comply with the relevant requirement, order or notice.
- (b) If required by the Agent, at the cost of the Chargors, the Agent may take all reasonable or expedient steps (in the name of the Chargors and/or the Chargors or otherwise) to procure compliance with any notice or order referred to in clause 8.5(a) and may at the cost of the Chargors make such objection or objections or representations against or in respect of any proposal for such a notice or order as the Agent considers expedient.

#### 8.6 **Investigation of title**

Following a Default, each Chargor must grant the Security Agent or its lawyers on request all facilities within the power of that Chargor to enable the Security Agent or its lawyers to:

- (a) carry out investigations of title to the Property; and
- (b) make such enquiries in relation to any part of the Property as a prudent mortgagee might carry out.

#### 8.7 **Power to remedy**

- (a) If a Chargor fails to perform any obligations under the Finance Documents affecting the Property, the Chargors must allow the Security Agent or its agents and contractors:
  - (i) to enter any part of the Property subject to the terms on any Lease Document;
  - (ii) to comply with or object to any notice served on a Chargor in respect of the Property; and
  - (iii) to take any action that the Security Agent may reasonably consider necessary to prevent or remedy any breach of any such term or to comply with or object to any such notice.

- (b) The Borrower must immediately on request by the Security Agent pay the costs and expenses of the Security Agent or its agents and contractors incurred in connection with any action taken by it under this clause.
- (c) No Finance Party shall be obliged to account as mortgagee in possession as a result of any action taken under this clause.

#### 8.8 ***Insurances***

- (a) Each Chargor shall comply with clause 23 (*Insurance undertaking*) of the Facility Agreement as if it references to an Obligor under that clause were references to each Chargor.

#### 8.9 ***Environmental matters***

- (a) Each Chargor must:
  - (i) comply and ensure that any relevant third party complies with all Environmental Law;
  - (ii) obtain, maintain and ensure compliance with all requisite Environmental Permits applicable to it or to the Property; and
  - (iii) implement procedures to monitor compliance with and to prevent liability under any Environmental Law applicable to it or the Property,

where failure to do so has or is reasonably likely to have a Material Adverse Effect or result in any liability for a Finance Party or has or is reasonably likely to result in criminal sanctions being imposed on any Party.

- (b) Each Chargor must, promptly upon becoming aware, notify the Agent of:
  - (i) any Environmental Claim started or, to its knowledge, threatened (in writing);
  - (ii) any circumstances reasonably likely to result in an Environmental Claim; or
  - (iii) any actual or proposed suspension, revocation or notification of any Environmental Permit.
- (c) Each Chargor must indemnify each Finance Party against any loss or liability which:
  - (i) that Finance Party incurs as a result of any actual or alleged breach of any Environmental Law by any person; and
  - (ii) would not have arisen if a Finance Document had not been entered into,

unless it is caused by that Finance Party's gross negligence or wilful misconduct.
- (d) Each Chargor must use reasonable endeavours to ensure that all occupiers of the Property carry on their activities on the Property in a prudent manner and keep them secure so as not to cause or knowingly permit harm or damage to the Environment (including nuisance or pollution) or the risk thereof.

#### 8.10 ***Commonhold***

No Chargor shall convert any freehold estate of the Property to a freehold estate in commonhold land under Part 1 of the Commonhold and Leasehold Reform Act 2002.

#### **8.11 *Pay rates and charges etc***

Each Chargor punctually will pay or cause to be paid and indemnify the Agent on demand against all existing and future rates, duties, fees, renewal fees, charges, assessments, impositions and outgoings whatsoever whether imposed by deed or by statute or otherwise and whether in the nature of capital or revenue and even though of a wholly novel character which are payable in respect of the Property or any part thereof.

#### **8.12 *Power to remedy***

If any Chargor fails to comply with any covenant set out in sub-clause 7.2 (*General undertakings*) to sub-clause 8 (*Property*) (inclusive), it will allow (and irrevocably authorises) the Security Agent or any Receiver to take any action on its behalf which the Security Agent or the Receiver deems necessary or desirable to ensure compliance with those covenants. Each Chargor shall reimburse the Security Agent and/or any Receiver, on demand, all amounts expended by the Security Agent or any Receiver in remedying such failure together with interest in accordance with clause 8.4 (*Default Interest*) of the Facility Agreement from the date of payment by the Security Agent or Receiver (as the case may be) until the date of reimbursement.

### **9. *Enforcement and powers of the Security Agent***

#### **9.1 *Enforcement***

At any time when an Event of Default is continuing, the Security created pursuant to this Deed shall be immediately enforceable and the Security Agent may in its absolute discretion and without notice to the Chargors or the prior authorisation of any court:

- (a) enforce all or any part of the Security created by this Deed and take possession of or dispose of all or any of the Charged Property in each case at such times and upon such terms as it sees fit; and
- (b) whether or not it has appointed a Receiver, exercise all of the powers, authorities and discretions:
  - (i) conferred from time to time on mortgagees by the LPA (as varied or extended by this Deed) or by law; and
  - (ii) granted to a Receiver by this Deed or from time to time by law.

#### **9.2 *Power of sale, leasing and other powers***

- (a) For the purpose of all rights and powers implied or granted by law, the Secured Liabilities are deemed to have fallen due on the date of this Deed. The power of sale and other powers conferred by section 101 LPA and all other enforcement powers conferred by this Deed shall be immediately exercisable at any time when an Event of Default is continuing.
- (b) The Security Agent may lease, make agreements for leases at a premium or otherwise, accept surrenders of leases and grant options or vary or reduce any sum payable under any leases or tenancy agreements as it thinks fit, without the need to comply with any of the provisions of sections 99 and 100 LPA.
- (c) In the exercise of the powers conferred by this Deed, the Security Agent may sever and sell plant, machinery or other fixtures separately from the property to which they may be annexed and it may apportion any rent or other amount without the consent of the Chargors.

#### **9.3 *Statutory restrictions***

The restriction on the consolidation of mortgages and on power of sale imposed by sections 93 and 103 respectively LPA shall not apply to the Security constituted by this Deed.

#### 9.4 ***Appropriation***

- (a) In this Deed, "**financial collateral**" has the meaning given to that term in the Financial Collateral Arrangements (No.2) Regulations 2003.
- (b) At any time when an Event of Default is continuing, the Security Agent may appropriate all or part of the financial collateral in or towards satisfaction of the Secured Liabilities.
- (c) The Parties agree that the value of any such Charged Property appropriated in accordance with sub-clause 9.4(b) shall be the market price of such Charged Property at the time the right of appropriation is exercised as determined by the Security Agent by reference to such method or source of valuation as the Security Agent may reasonably select, including by independent valuation. The Parties agree that the methods or sources of valuation provided for in this sub-clause or selected by the Security Agent in accordance with this sub-clause shall constitute a commercially reasonable manner of valuation for the purposes of the Financial Collateral Arrangements (No.2) Regulations 2003.
- (d) The Security Agent shall notify the Chargors, as soon as reasonably practicable, of the exercise of its right of appropriation as regards such of the Charged Property as are specified in such notice.

### 10. ***Appointment of a Receiver***

#### 10.1 ***Appointment***

- (a) At any time when an Event of Default is continuing, or at the request of the Chargors or their directors, the Security Agent may, without prior notice to the Chargors, in writing (under seal, by deed or otherwise under hand) appoint a Receiver in respect of the Charged Property or any part thereof and may in like manner from time to time (and insofar as it is lawfully able to do) remove any Receiver and appoint another in his place.
- (b) Nothing in sub-clause 10.1(a) shall restrict the exercise by the Security Agent of any one or more of the rights of the Security Agent under Schedule B1 to the Insolvency Act 1986 and the rules thereunder or at common law.
- (c) Section 109(1) LPA shall not apply to this Deed.

#### 10.2 ***Several Receivers***

If at any time there is more than one Receiver, each Receiver may separately exercise all of the powers conferred by this Deed (unless the document appointing such Receiver states otherwise).

#### 10.3 ***Remuneration of Receiver***

The Security Agent may from time to time fix the remuneration of any Receiver appointed by it from time to time. For the purpose of this sub-clause, the limitation set out in section 109(6) LPA shall not apply.

#### 10.4 ***Liability of Security Agent for actions of a Receiver***

Each Receiver shall be the agent of the Chargors which shall be solely responsible for his acts or defaults, and for his remuneration and expenses, and be liable on any agreements or engagements made or entered into by him. No Secured Party shall be responsible for any misconduct, negligence or default of a Receiver.

## 11. Powers of a Receiver

A Receiver shall have (and be entitled to exercise) in relation to the Charged Property over which he is appointed the following powers (as the same may be varied or extended by the provisions of this Deed):

- (a) all of the specific powers set out in Schedule 7 (*Powers of Receiver*);
- (b) all of the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- (c) all of the powers conferred from time to time on receivers, mortgagors and mortgagees in possession by the LPA;
- (d) all of the powers conferred on the Security Agent under this Deed;
- (e) all the powers and rights of a legal and beneficial owner and the power to do or omit to do anything which each Chargor itself could do or omit to do; and
- (f) the power to do all things which, in the opinion of the Receiver, are incidental to any of the powers, functions, authorities or discretions conferred or vested in the Receiver pursuant to this Deed or upon receivers by statute or law generally (including the bringing or defending of proceedings in the name of, or on behalf of, the relevant Chargor; the collection and/or realisation of Charged Property in such manner and on such terms as the Receiver sees fit; and the execution of documents in the name of the relevant Chargor (whether under hand, or by way of deed or by utilisation of the company seal of the relevant Chargor)).

## 12. Application of monies

### 12.1 Order of application

All amounts from time to time received or recovered by the Security Agent pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or any part of the Security created by this Deed (for the purposes of this clause, the "**Recoveries**") shall be held by the Security Agent on trust to apply the same at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of this clause), in the following order, after the payment of any preferential debts ranking in priority to the Secured Liabilities:

- (a) in discharging any sums owing to the Security Agent or any Receiver;
- (b) in payment of all costs and expenses incurred by any Secured Party in connection with any realisation or enforcement of the Security created by this Deed;
- (c) in payment of any Secured Liabilities; and
- (d) the balance of any Recoveries, after all amounts due under sub-clauses 12.1(a) to (c) have been paid in full, to the Chargors.

The provisions of this sub-clause will override any appropriation made by the Chargors.

### 12.2 Prospective liabilities

When an Event of Default is continuing, the Security Agent may, in its discretion, hold any amount of the Recoveries in an interest bearing suspense or impersonal account(s) in the name of the Security Agent with such financial institution (including itself) and for so long as the Security Agent shall think fit (the interest being credited to the relevant account) for later application under sub-clause 12.1 (*Order of application*) in respect of:

- (a) any sum to a Secured Party; and
- (b) any part of the Secured Liabilities,

that the Security Agent reasonably considers, in each case, might become due or owing at any time in the future.

### 12.3 ***Investment of proceeds***

Prior to the application of the proceeds of the Recoveries in accordance with sub-clause 12.1 (*Order of application*) the Security Agent may, in its discretion, hold all or part of those proceeds in an interest bearing suspense or impersonal account(s) in the name of the Security Agent with such financial institution (including itself) and for so long as the Security Agent shall think fit (the interest being credited to the relevant account) pending the application from time to time of those monies in the Security Agent's discretion in accordance with the provisions of sub-clause 12.1 (*Order of application*) **provided that** if sufficient Recoveries and other amounts received from the Transaction Obligors are sufficient to discharge the Secured Liabilities in full, the Security Agent will promptly apply the Recoveries in accordance with the provisions of sub-clause 12.1 (*Order of application*).

### 12.4 ***Currency conversion***

- (a) For the purpose of, or pending the discharge of, any of the Secured Liabilities the Security Agent may convert any monies received or recovered by the Security Agent from one currency to another, at a market rate of exchange.
- (b) The obligations of any Transaction Obligor to pay in the due currency shall only be satisfied to the extent of the amount of the due currency purchased after deducting the costs of conversion.

### 12.5 ***Permitted deductions***

The Security Agent shall be entitled, in its discretion:

- (a) to set aside by way of reserve, amounts required to meet, and to make and pay, any deductions and withholdings (on account of taxes or otherwise) which it is or may be required by any applicable law to make from any distribution or payment made by it under this Deed; and
- (b) to pay all Taxes which may be assessed against it in respect of any of the Charged Property, or as a consequence of performing its duties, or by virtue of its capacity as Security Agent under any of the Finance Documents or otherwise (other than in connection with its remuneration for performing its duties under this Deed).

### 12.6 ***Good discharge***

- (a) Any payment to be made in respect of the Secured Liabilities by the Security Agent may be made to the Agent on behalf of the Finance Parties and any payment made in that way shall be a good discharge, to the extent of that payment, by the Security Agent.
- (b) The Security Agent is under no obligation to make the payments to the Agent under sub-clause 12.6(a) in the same currency as that in which the obligations and liabilities owing to the relevant Finance Party are denominated.

## 13. ***Protection of third parties***

### 13.1 ***No obligation to enquire***

No purchaser from, or other person dealing with, a Secured Party shall be obliged or concerned to enquire whether:

- (a) the right of the Secured Party to exercise any of the powers conferred by this Deed has arisen or become exercisable or as to the propriety or validity of the exercise or purported exercise of any such power; or
- (b) any of the Secured Liabilities remains outstanding or be concerned with notice to the contrary and the title and position of such a purchaser or other person shall not be impeachable by reference to any of those matters.

**13.2 *Receipt conclusive***

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

**14. *Protection of the Secured Parties***

**14.1 *No liability***

No Secured Party shall be liable in respect of any of the Charged Property or for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective powers.

**14.2 *Possession of Charged Property***

Without prejudice to sub-clause 14.1 (*No liability*), if a Secured Party enters into possession of the Charged Property, it will not be liable to account as mortgagee in possession and may at any time at its discretion go out of such possession.

**14.3 *No proceedings***

No Party (other than the Security Agent, a Receiver or a Delegate in respect of its own officers, employees or agents) may take any proceedings against any officer, employee or agent of a Secured Party in respect of any claim it might have against a Secured Party or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document or any Charged Property and any officer, employee or agent of a Secured Party may rely on this clause subject to sub-clause 1.4 (*Third party rights*) of the Facility Agreement and the provisions of the Third Parties Act.

**15. *Cumulative powers and avoidance of payments***

**15.1 *Cumulative powers***

The powers which this Deed confers on the Security Agent and any Receiver appointed under this Deed are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as the relevant person thinks appropriate. The Security Agent or the Receiver may, in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever. The respective powers of the Security Agent and the Receiver will in no circumstances be suspended, waived or otherwise prejudiced by anything other than an express consent or amendment.

**15.2 *Amounts avoided***

If any amount paid by a Chargor in respect of the Secured Liabilities is capable of being avoided or set aside on the liquidation or administration of the relevant Chargor or otherwise, then for the purposes of this Deed that amount shall not be considered to have been paid.

**15.3 *Discharge conditional***

Any settlement or discharge between a Chargor and the Security Agent shall be conditional upon no security or payment to the Security Agent by the relevant Chargor or any other person

being avoided, set aside, ordered to be refunded or reduced by virtue of any provision or enactment relating to insolvency and accordingly (but without limiting the other rights of the Security Agent under this Deed) the Security Agent shall be entitled to recover from the relevant Chargor the value which the Security Agent has placed on that security or the amount of any such payment as if that settlement or discharge had not occurred.

**16. Ruling-off accounts**

If the Security Agent receives notice of any subsequent Security or other interest affecting any of the Charged Property it may open a new account for the relevant Chargor in its books. If it does not do so then (unless it gives written notice to the contrary to the relevant Chargor), as from the time it receives that notice, all payments made by the relevant Chargor to it (in the absence of any express appropriation to the contrary) shall be treated as having been credited to a new account of the relevant Chargor and not as having been applied in reduction of the Secured Liabilities.

**17. Power of attorney**

Each Chargor, by way of security, irrevocably and severally appoints each of the Security Agent and any Receiver as its attorney (with full power of substitution and delegation) in its name and on its behalf and as its act and deed to (if an Event of Default is continuing) execute, seal and deliver (using the company seal where appropriate) and otherwise perfect and do any deed, assurance, agreement, instrument, act or thing which it ought to execute and do under the terms of this Deed, or which may be required or deemed proper in the exercise of any rights or powers conferred on the Security Agent or any Receiver under this Deed or otherwise for any of the purposes of this Deed, and each Chargor covenants with each of the Security Agent and any Receiver to ratify and confirm all such acts or things made, done or executed by that attorney.

**18. Delegation**

18.1 A Secured Party may, at any time, delegate by power of attorney or otherwise to any person for any period, all or any of the rights, powers and discretions vested in it by or pursuant to this Deed.

18.2 That delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that that Secured Party may, in its discretion, think fit in the interests of the Secured Parties and it shall not be bound to supervise, or be in any way responsible for any loss incurred by reason of any misconduct or default on the part of any such delegate or sub-delegate.

**19. Redemption of prior charges**

The Security Agent may redeem any prior Security on or relating to any of the Charged Property or procure the transfer of that Security to itself, and may settle and pass the accounts of any person entitled to that prior Security. Any account so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargors. Each Chargor will on demand pay to the Security Agent all principal monies and interest and all losses incidental to any such redemption or transfer.

**20. Miscellaneous**

**20.1 Assignment**

No Chargor may assign any of its rights or transfer any of its rights or obligations under this Deed. The Security Agent may assign and transfer all or any part of its rights and obligations under this Deed.

**20.2 Counterparts**



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

**20.3 Covenant to release**

At the end of the Security Period, the Security Agent shall, at the request and cost of the Chargors, take such action as any Chargor may reasonably require to release the Charged Property from the security constituted by this Deed (including any assignment by way of security) and each Chargor from its obligations and liabilities under this Deed (including executing Land Registry Form DS1 in respect of the Property and a release substantially in the form set out in Schedule 5 (*Form of Deed of Release*) with such amendments as the Security Agent may agree).

**21. Governing Law**

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

**22. Jurisdiction**

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

**In witness this Deed** is executed on the date appearing at the head of page 1.

**Schedule 1**

**Charged Property**

**Part 1**

**The Property**

<b>Chargor</b>	<b>Address or description of the Property</b>	<b>Title No:</b>
Morion 1 Limited and Morion 2 Limited	The Hippodrome, Cranbourn Street, London WC2H 7JH	NGL978229

## Schedule 2

### Form of notices

#### Part 1

#### Part 1

#### (Form of notice to insurers)

To: •[insert name and address of insurer]

Dated: •

Dear [•]

**Re: •[identify the relevant insurance policy[ies]] (the "Policy[ies]")**

We notify you that we have assigned, by way of security pursuant to a legal mortgage dated [ ] (the "**Legal Mortgage**"), to • (the "**Security Agent**") all our all our rights and interest in any claims under the Policy and any proceeds payable under or in connection with the Policy in each case in respect of The Hippodrome, Cranbourn Street, London WC2 7JH, registered at the Land Registry under title number NGL978229 (the "**Property**") as security for certain obligations owed by us to the Security Agent.

We irrevocably instruct and authorise you to pay all payments for claims in excess of £100,000 (other than in respect of any claim under any public liability and third party liability insurances) under or arising under the Policy[ies] in connection with the Property (but not, for the avoidance of doubt in connection with any other property insured under the Policy) to the order of the Security Agent. It is very important that you make all immediate arrangements for all such sums payable by you under the Policy[ies] in connection with the Property to be paid to this account.

We further notify you that:

1. you may continue to deal with us in relation to the Policy[ies] until you receive written notice to the contrary from the Security Agent stating that the security constituted by the Legal Mortgage has become enforceable. Thereafter, we will cease to have any right to deal with you in relation to the Policy[ies] in connection with the Property until the Security Agent notifies you to the contrary and therefore from that time you should deal only with the Security Agent until the Security Agent notifies you to the contrary;
2. you are authorised to disclose information in relation to the Policy[ies] to the Security Agent on its request; and
3. the provisions of this notice may only be revoked or amended with the prior written consent of the Security Agent.

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

Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to us) by way of confirmation that:

- (a) you agree to act in accordance with the provisions of this notice;

- (b) you will not amend, waive or release any right, interest or benefit in relation to the Policy[ies] in connection with the Property (or agree to do the same) without the prior written consent of the Security Agent;
- (c) as the Security Agent is named as [composite insured and loss payee for claims in excess of £100,000] in connection with the Property, the Policy[ies] will not be vitiated or avoided as against any insured party as a result of any circumstances beyond the control of that insured party or any misrepresentation, non-disclosure, or breach of any policy term or condition, on the part of any insured party or any agent of any insured party;
- (d) [after receipt of written notice in accordance with paragraph 1, you will pay all monies to which we are entitled under the Policy[ies] in connection with the Property direct to the Security Agent (and not to us) unless the Security Agent otherwise agrees in writing;]
- (e) you will give at least [30] days' notice to the Security Agent if you propose to repudiate, rescind or cancel any Policy[ies], to treat [it/them] as avoided in whole or in part, to treat [it/them] as expired due to non-payment of premium or otherwise decline any valid claim under [it/them] by or on behalf of any insured party and you will give the opportunity to rectify any such non-payment of premium within the notice period;
- (f) you waive your rights of subrogation as against us, any tenant of a property or any other party;
- (g) you have not received notice that we have assigned or charged our rights under the Policy[ies] to a third party or created any other interest in the Policy[ies] in favour of a third party; and
- (h) you have not claimed or exercised nor do you have any outstanding right to claim or exercise against us, any right of set-off, counter-claim or other right relating to the Policies.

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

Yours faithfully

.....  
for and on behalf of  
●[the Chargor]

.....  
for and on behalf of  
●[the Chargor]

**[On acknowledgement copy]**

To: ●[insert name of Security Agent]

Copy to:     •[insert name of the relevant Obligor]

We acknowledge receipt of the above notice and the notifications therein, agree to abide by its terms and confirm the matters set out in paragraphs (a) to (h) (inclusive) of that notice.

.....  
for and on behalf of  
•[insert name of insurer]

Dated:         •

## Part 2

### (Form of notice in relation to a Lease Document)

To:           ●[tenant]

Dated:       ●

Dear [●],

**Re: the lease dated ● and made between ● and ● (the "Lease")**

We notify you that we have assigned, by way of security, to [the Security Agent] (the "**Security Agent**") all our rights, title and interest in the Lease as security for certain obligations owed by us to the Security Agent.

Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to us) by way of confirmation that:

- (a) you have not received any notice that any third party has or will have any right or interest in, or has made or will be making any claim or demand or taking any action in respect of, our rights under or in respect of the Lease;
- (b) from the earlier to occur of (i) receipt of notice from the Security Agent or us stating that an Event of Default has occurred or (ii) you becoming aware of the same, you will pay all rent and all other monies payable by you under the Lease into the Finance Costs Account held at Lloyds Bank plc with account number [●] and sort code [●]; and
- (c) you will continue to pay all rent and all other monies payable by you under the Lease to our order in accordance with your existing instructions until you receive the Security Agent's written instructions to the contrary.

The instructions in this notice apply until you receive notice from the Security Agent to the contrary and notwithstanding any previous instructions given by us.

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

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

Yours faithfully,

.....  
for and on behalf of  
●[the Chargo]

**[On acknowledgement copy]**

To:           •[insert name of Security Agent]

Copy to:     •[insert name of the Chargor]

We acknowledge receipt of the above notice and the notifications therein, agree to abide by its terms and confirm the matters set out in paragraphs (a) to (c) (inclusive) of that notice.

.....  
for and on behalf of  
•[Insert name of tenant]

Dated:       •

**Schedule 5**  
**Form of Deed of Release**

**This Deed of Release** is made on

20●●

**Between:**

- (1) ●[The Security Agent] as trustee for itself and for each of the other secured parties (the "Security Agent"); and
- (2) ●[The Chargor] (company number ●) whose registered office is at ● (the "Chargor").

**It is agreed** as follows:

- 4. Capitalised terms used but not otherwise defined in this Deed have the meaning ascribed to them by the legal mortgage granted by the Chargor to the Security Agent on ● (the "**Mortgage**").
- 5. The Security Agent irrevocably and unconditionally:
  - 5.1. releases all and any Security (including any assignment by way of security) created by, or evidenced in, the Mortgage (together the "**Security Interests**");
  - 5.2. re-assigns to the Chargor[s] any of the property, assets and/or undertaking assigned to the Security Agent under the Mortgage;
  - 5.3. releases and discharges [the/each] Chargor from all its obligations and liabilities and all claims or demands (whether present or future, actual or contingent) under the Debenture; and
  - 5.4. agrees to deliver to the Chargor[s] any documents of title to the assets charged which it is holding (if any).
- 6. The Security Agent confirms that it is entering into this Deed on behalf of the Secured Parties.
- 7. The Security Agent agrees, subject to its costs for so doing being fully indemnified by the Chargor, to execute such other documents for the release of the Security Interests as the Chargor may reasonably require, including, without limitation, notices of reassignment and Land Registry Forms.
- 8. This Deed and any non-contractual obligations arising out of or in connection with it are governed by English Law.

**In witness this Deed** is executed on the date appearing at the head of page 1.

*[Add signature blocks]*

**NOTE:** this deed of release is intended to provide a simple template for the Security Agent to execute on redemption of the secured liabilities without needing to take additional legal advice at such time should it choose not to. It cannot therefore be negotiated until the time of release, at which point the Security Agent will consider any proposed amendments from the Chargor.



## **Schedule 7**

### **Powers of Receiver**

**1. Possession**

Take immediate possession of, get in and collect the Charged Property or any part thereof.

**2. Carry on business**

Carry on, manage or concur in carrying on or managing the whole or any part of the business of any Chargor as he in his discretion may think fit.

**3. Protection of assets**

- (a) Manage, insure, repair, decorate, maintain, alter, improve, develop, construct, modify, refurbish, renew or add to the Charged Property or concur in so doing;
- (b) commence, continue or complete any new works, unfinished work, building operations, construction, reconstruction, maintenance, furnishing, finishing or fitting-out on the Property;
- (c) apply for and maintain any planning permissions, building regulations, approvals and any other permissions, consents or licences,

in each case as he in his discretion may think fit;

**4. Realisation of assets**

Sell, exchange, convert into money and realise the Charged Property or concur in so doing by public auction or private contract and generally in such manner and on such terms as he in his discretion may think fit. Without prejudice to the generality of the foregoing, he may do any of these things for any valuable consideration, whether full market value or otherwise, including, without limitation, cash, shares, stock, debentures or other obligations. Any such consideration may be payable in a lump sum or by instalments spread over such period as he in his discretion may think fit.

**5. Let, hire or lease**

- (a) Let, hire or lease (with or without premium) and accept surrenders of leases or tenancies or concur in so doing;
- (b) grant rights, options or easements over and otherwise deal with or dispose of, and exercise all rights, powers and discretions incidental to, the ownership of the Charged Property;
- (c) exchange or concur in exchanging the Charged Property;

in each such case in such manner and generally on such terms as he may in his discretion think fit, with all the powers of an absolute beneficial owner. The Receiver may exercise any such power by effecting such transaction in the name or on behalf of any Chargor or otherwise;

**6. Registration**

Use a Chargor's name to effect any registration or election for tax or other purposes.

**7. Insurances**

Effect, review or vary insurances.

**8. Borrowing**

For the purpose of exercising any of the powers, authorities or discretions conferred on him by or pursuant to this Deed or of defraying any costs (including, without limitation, his remuneration) which are incurred by him in the exercise of such powers, authorities or discretions or for any other purpose, to raise and borrow money or incur any other liability either unsecured or secured on the Charged Property, either in priority to the Security created by this Deed or otherwise, and generally on such terms as he in his discretion may think fit. No person lending such money is to be concerned to enquire as to the propriety or purpose of the exercise of such power or as to the application of money so raised or borrowed.

**9. Lending**

Lend money to any person.

**10. Advance credit**

Advance credit, in the ordinary course of a Chargor's business, to any person.

**11. Make calls**

Make, or require the directors of any Chargor to make, such calls upon the shareholders of the relevant Chargor in respect of any uncalled capital of that Chargor as the Receiver in his discretion may require and enforce payment of any call so made by action (in the name of the relevant Chargor or the Receiver as the Receiver in his direction may think fit) or otherwise.

**12. Compromise**

- (a) Settle or compromise any claim by, adjust any account with, refer to arbitration any dispute with, and deal with any question or demand from, any person who is, or claims to be, a creditor of a Chargor, as he may in his discretion think fit; and
- (b) settle or compromise any claim, adjust any account, refer to arbitration any dispute and deal with any question or demand relating in any way to the Charged Property, as he in his discretion may think fit.

**13. Proceedings**

In the name of a Chargor, bring, prosecute, enforce, defend or abandon all such actions, suits and proceedings in relation to the Charged Property as he in his discretion may think fit.

**14. Subsidiaries**

- (a) Promote the formation of any subsidiary of a Chargor with a view to such subsidiary purchasing, leasing, licensing or otherwise acquiring an interest in the Charged Property;
- (b) arrange for the purchase, lease, licence or acquisition of an interest in the Charged Property by any such subsidiary for any valuable consideration, including, without limitation, cash, shares, debentures, loan stock, convertible loan stock or other securities, profits or a sum calculated by reference to profits, turnover, royalties, licence fees or otherwise, whether or not secured on the undertaking or assets of such subsidiary and whether or not such consideration is payable or receivable in a lump sum or at any time or any number of times by instalments spread over such period, as the Receiver in his discretion may think fit; and
- (c) arrange for such subsidiary to trade or cease to trade as the Receiver in his discretion may think fit.

15. **Employees**

Appoint and discharge any manager, officer, agent, professional adviser, employee and any other person, upon such terms as he in his discretion may think fit.

16. **Receipts**

Give valid receipts for all monies and execute all assurances and things which he in his discretion may think proper or desirable for realising the Charged Property.

17. **Delegation**

Delegate any or all of his powers in accordance with this Deed.

**Signatories to this Legal Mortgage**

**Chargor**

Executed as a deed by  
**Morion 1 Limited**  
acting by  
a director  
in the presence of:

)  
)  
)  
)  
)

[Redacted]

Signature of director

[Redacted]

Signature of witness

Name of witness

SARAH HARDING

Address of witness

[Redacted]

Occupation of witness

Assistant Property  
manager

**Notice details**

Address: 35-37 New Street, St Helier, Jersey, JE2 3RA  
Attention: The Directors

Executed as a deed by  
**Morion 2 Limited**  
acting by  
a director  
in the presence of:

)  
)  
)  
)  
)

[Redacted]

Signature of director

[Redacted]

Signature of witness

Name of witness

SARAH HARDING

Address of witness

[Redacted]

Occupation of witness

Assistant Property  
manager

**Notice details**

Address: 35-37 New Street, St Helier, Jersey, JE2 3RA  
Attention: The Directors

**Security Agent**

Signed by )  
authorised signatory )  
for and on behalf of )  
**Lloyds Bank plc** )

**Notice Details**

Address: 10 Gresham Street, London, EC2V 7AE  
Attention: Sam Prestidge (Associate Director, Commercial Real Estate)

We, in our capacity as proprietor of the Existing Security, hereby consent to the registration of this Deed at HM Land Registry.

Signed by )  
authorised signatory )  
for and on behalf of )  
**Lloyds Bank plc** )