

# MR01

## Particulars of a charge



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**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](http://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 where there is no  
instrument Use form MR08

For further information, please  
refer to our guidance at  
[www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)

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

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

THURSDAY



\*L28YG86Z\*

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23/05/2013

#88

COMPANIES HOUSE

### 1 Company details

Company number 0 7 8 4 9 9 3 2

Company name in full TERRACE HILL (PROPERTY INVESTMENT NO 2) LTD ✓

0007 For official use

→ **Filing 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 2 1 0 5 2 0 1 3 ✓

### 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 BANK OF SCOTLAND PLC ✓

Name

Name

Name

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

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

**MR01****Particulars of a charge****4****Description**

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

**Continuation page**

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

Description

Address or Description	Title No (s) (If registered land)	Freehold/leasehold
12, 18, 40 and 51 Peerage Court, Glenmore Road, Minehead	ST108370 ST108372 ST108373 ST108386 ST108377 ST108392	Leasehold
2, 3, 4, 5, 6, 9, 11 and 11a Raleigh Close Flat 3 and 9, 17 Raleigh Close Flat 3, 5, 6, 7 and 8, 19 Raleigh Close Lapwing Lane, Manchester M20 2BY	GM601267	Leasehold and  Freehold (reversionary interest)
2, 8, 9 and 10 Swallows Court, New Road, Stoke Gifford	AV200507	Freehold

**5****Fixed charge or fixed security**

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

☒ **Yes**☐ **No****6****Floating charge**

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

☒ **Yes** Continue☐ **No** Go to **Section 7**

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

☒ **Yes****7****Negative Pledge**

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

☒ **Yes**☐ **No**

MR01

Particulars of a charge

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**Trustee statement ①**

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

☐

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

9

**Signature**

Please sign the form here

Signature

Signature

X

*EMS Common Mileum 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 Thomas Bisha1

Company name CMS Cameron McKenna LLP

Address Mitre House

160 Aldersgate Street

London

Post town

County/Region

Postcode E C 1 A 4 D D

Country

DX DX 135316 BARBICAN 2

Telephone 020 7367 3000

**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](http://www.companieshouse.gov.uk) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.companieshouse.gov.uk)**

CHFP025

04/13 Version 1.0



**FILE COPY**

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

Company number. 7849932

Charge code: 0784 9932 0007

The Registrar of Companies for England and Wales hereby certifies that a charge dated 21st May 2013 and created by TERRACE HILL (PROPERTY INVESTMENT NO 2) LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 23rd May 2013.

Given at Companies House, Cardiff on 28th May 2013



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES

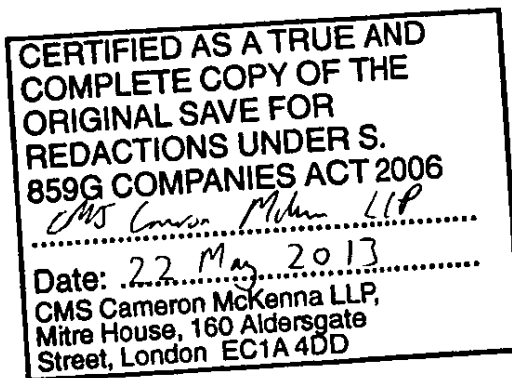


DEBENTURE

TERRACE HILL (PROPERTY INVESTMENT NO 2) LTD

and

BANK OF SCOTLAND PLC



**IMPORTANT NOTICE: We recommend that you consult your solicitor or other independent legal adviser before accepting this document.**

### DEBENTURE

**THIS DEBENTURE** is made as a deed on the 21 day of May 2013 between -

- (1) **TERRACE HILL (PROPERTY INVESTMENT NO 2) LTD** (Company Number 07849932) having its registered office at 1 Portland Place, London W1B 1PN (the "Company"), and
- (2) **BANK OF SCOTLAND PLC** (Company Number SC327000) having its registered office at The Mound, Edinburgh EH1 1YZ ("BoS")

Definitions are given in clause 18

**NOW THIS DEED WITNESSES** as follows -

#### 1 Covenant to Pay

- 1 1 The Company, as primary obligor and not merely as surety, covenants that it will on demand in writing made to it pay or discharge the Secured Liabilities when the same are due and payable
- 1 2 If the Company shall fail to pay any amount under this Debenture when it is due then such amount shall bear interest (after as well as before judgment and payable on demand) at the Default Rate from time to time from the due date until the date such amount is paid in full to BoS

#### 2 Charging provisions

- 2 1 The Company with full title guarantee hereby charges to BoS as a continuing security for the payment or discharge of the Secured Liabilities -
  - 2 1 1 by way of legal mortgage all estates or interests in the freehold and leasehold property described in Schedule 1 together with all present and future buildings, and fixtures (including trade and tenant's fixtures), which are at any time on or attached to the property,
  - 2 1 2 by way of fixed charge -
    - 2 1 2 1 all estates or interests in any freehold or leasehold property belonging to the Company now or at any time after the date of this Debenture (other than any property charged in terms of clause 2 1 1 above) together with all buildings, and fixtures (including trade and tenant's fixtures) which are at any time on or attached to the property,
    - 2 1 2 2 all present and future interests of the Company in or over land or the proceeds of sale of it and all present and future licences of the Company to enter upon or use land,
    - 2 1 2 3 the benefit of all other agreements relating to land which the Company is or may become party to or otherwise entitled,
    - 2 1 2 4 all plant and machinery of the Company now or in the future attached to property which is charged by the foregoing provisions of this clause 2 1,
    - 2 1 2 5 all present and future stocks, shares and other securities owned (at





law or in equity) by the Company including, but not limited to the shares (the "Original Shares") listed in Schedule 2 (the "Shares") and all rights, money or property of a capital nature at any time accruing or offered in relation to them, whether by way of bonus, consolidation, conversion, exchange, option, preference, return of capital or otherwise,

2 1 2 6 all rights, money or property of an income nature at any time accruing or payable in relation to the stocks, shares and other securities charged by clause 2 1 2 5, whether by way of dividend, distribution, interest or otherwise,

2 1 2 7 all rights and interests in and claims under all insurance contracts or policies now or in the future held by or insuring to the benefit of the Company which relate to Fixed Charge Assets (including all money payable under such contracts and policies),

2 1 2 8 all rights and interest and claims under all other insurance or assurance contracts or policies now or in the future held by or insuring to the benefit of the Company (including all money payable under them),

2 1 2 9 all patents, utility models, registered and unregistered trade and service marks, rights in passing off, copyright, registered and unregistered rights in designs and database rights in each case now or in the future held by the Company (whether alone or jointly with others) anywhere in the world and including any extensions and renewals of, and any application for such rights,

2 1 2 10 the benefit of all agreements and licences now or in the future entered into or enjoyed by the Company relating to the use or exploitation by or on behalf of the Company in any part of the world of any such rights as are referred to in clause 2 1 2 9 but owned by others,

2 1 2 11 all the Company's rights now or in the future in relation to trade secrets, confidential information and know how in any part of the world,

2 1 2 12 all present and future book debts of the Company,

2 1 2 13 all other present and future debts or monetary claims of the Company against third parties (excluding those charged under clause 2 1 2 7 or 2 1 2 8 or arising on fluctuating accounts with other Group Companies),

2 1 2 14 the benefit of all warranties, instruments, guarantees, charges, pledges, and other security and all other rights and remedies available to the Company in respect of any Fixed Charge Assets,

2 1 2 15 all present and future bank accounts, cash at bank and credit balances of the Company (excluding those arising on fluctuating accounts) with any bank or other person whatsoever and all rights relating or attaching to them (including the right to interest),

2 1 2 16 all rights, money or property accruing or payable to the Company now or in the future under or by virtue of a Fixed Charge Asset except to the extent that such rights, money or property are for the time being effectively charged by fixed charge under the foregoing provisions of this clause 2 1, and

2 1 2 17 all the Company's goodwill and uncalled capital for the time being,

2 1 3 by way of floating charge all the Assets not effectively otherwise mortgaged, charged or assigned by this clause 2, (including, without limitation, any immovable property of the Company in Scotland and any Assets in Scotland falling within any of the types mentioned in clause 2 1 2)

2 2 The Company with full title guarantee hereby assigns as a continuing security for the payment or discharge of the Secured Liabilities in favour of BoS (subject to the right of the Company to require the re-assignment of it upon payment or discharge in full of the Secured Liabilities)

2 2 1 1 all the right, title and interest of the Company in and to any interest rate hedging agreements now or in the future entered into with any person, and

2 2 1 2 (insofar as they are capable of being assigned by way of security) all the right, title and interest of the Company in and to any agreement to which the Company is a party except to the extent that it is subject to any fixed charge created under any other provisions of this Debenture,

2 3 To the extent that any such right, title and interest as is referred to in clause 2 2 is not assignable or capable of assignment, the assignment of it purported to be effected by such clause shall operate as an assignment of any and all compensation, damages, income, profit or rent which the Company may derive from it or be awarded or entitled to in respect of it, in each case as a continuing security for the payment or discharge in full of the Secured Liabilities

2 4 Any mortgage, fixed charge or other fixed security created by the Company in favour of BoS shall have priority over the floating charge created by this Debenture, except insofar as BoS shall declare otherwise whether at or after the time of creation of such fixed security

2 5

2 5 1 BoS may at any time after the security constructed by this Debenture has become enforceable, by notice to the Company, immediately convert the floating charge created under clause 2 1 3 into a fixed charge over any Assets specified in that notice,

2 5 2 The floating charge will, without notice from BoS, automatically be converted with immediate effect into a fixed charge -

2 5 2 1 in respect of any Assets which become subject to any step by any third party to take a fixed charge,

2 5 2 2 in respect of any Assets which become subject to any step by any third party to levy any distress, attachment, execution or other legal process against them,

2 5 2 3 in respect of all Assets charged under clause 2 1 3 if and when the Company ceases to carry on business or to be a going concern, and

2 5 2 4 in respect of all the Assets on the making of an order for the compulsory winding-up of the Company, on the convening of a meeting for the passing of a resolution for the voluntary winding-up of



the Company or the taking of any steps (including, without limitation, the making of an application or the giving of any notice) by the Company or any other person for the appointment of an administrator in respect of the Company

2 6 Clause 2 5 will not apply -

2 6 1 to any Assets situated in Scotland if, and to the extent that, a Receiver would not be capable of exercising his powers in Scotland pursuant to Section 72 of the Insolvency Act 1986 by reason of such automatic conversion, and/or

2 6 2 solely by reason of the Company obtaining a moratorium or anything done with a view to obtaining a moratorium under the Schedule A1 of the Insolvency Act 2000

2 7 The Company will not without the prior written consent of BoS -

2 7 1 create or attempt to create or permit to subsist any right in security, mortgage, charge, lien (other than a lien arising in the ordinary course of business by operation of law) or any encumbrance, trust agreement, declaration of trust or trust arising by operation of law over all or any Assets (other than a Permitted Security Right), or

2 7 2 sell, transfer, assign, factor, lease or otherwise dispose of or part with possession in any way of all or any of its Assets (other than in terms of a Permitted Disposal), or

2 7 3 in any way dispose of the equity of redemption of any such Asset or any interest in any such Asset

2 8 The Company applies to the Chief Land Registrar for a restriction to be entered on the Register of Title of all present and future registered freehold and leasehold property of the Company in the following terms

"No disposition of the registered estate by the proprietor of the registered estate [or by the proprietor of any registered charge] is to be registered without a written consent signed by the proprietor for the time being of the charge dated [date] in favour of Bank of Scotland plc referred to in the Charges Register or, if appropriate, signed on behalf of such proprietor by its authorised signatory"

2 9 The obligation on the part of BoS to make further advances to the Company is deemed to be incorporated in this Debenture and the Company applies to the Chief Land Registrar for a note of such obligation to be entered on the Register of Title of all present and future registered freehold and leasehold property of the Company

2 10 The Company will, immediately upon execution of this Debenture, deliver to BoS (or as it shall direct) all certificates and other documents of title to the stocks, shares and other securities referred to in clause 2 1 2 5 above together with stock transfer forms in respect of the same executed in blank (except for the number and class of shares and the name of the transferor) and left undated BoS may at any time after the date of this Debenture complete the instruments of transfer on behalf of the Company in favour of itself or such other person as it shall select

2 11 The Company (at its own cost) will on demand in writing by BoS execute and deliver in such form as BoS may reasonably require -

- 2 11 1 a legal mortgage of any freehold or leasehold property of the Company which is not effectively charged by clause 2 1 1 and of any freehold or leasehold property acquired by the Company after the date of this Debenture,
- 2 11 2 a standard security or other fixed security over the Company's heritable freehold, leasehold or other property,
- 2 11 3 a fixed charge or assignment in or by way of security of any Asset subject to a floating charge under clause 2 1 3,
- 2 11 4 a chattel mortgage over such chattels, plant and machinery as BoS may specify, and
- 2 11 5 a notice of any assignment of its right, title and interest in and to any of the agreements referred to in clause 2 2 above,

and the Company will execute such other deeds, documents, agreements and instruments and will otherwise do and concur in all such other acts or things as BoS may deem reasonably necessary for perfecting, preserving or protecting the security created (or intended to be created) by this Debenture or for facilitating the realisation of the Assets or the exercise of any rights of BoS under this Debenture

2 12 The Company shall

- 2 12 1 get in and realise all Receivables in the ordinary course of its business and hold the proceeds of the getting in and realisation (until payment into an account in accordance with clause 2 12 2 below) upon trust for BoS,
  - 2 12 2 pay into its account with BoS (or as BoS may direct) all money which it receives in respect of any Receivables, and
  - 2 12 3 if called upon to do so by BoS execute a legal assignment of all or any of the Receivables to BoS
- 2 13 If BoS releases, waives, or postpones its rights in respect of any Receivables to enable the Company to factor or discount them to any third party (the "factor"), the charges created by this Debenture shall in all other respects remain in full force and effect. All amounts becoming due to the Company from the factor and any Receivables re-assigned, or due to be re-assigned to the Company, shall be subject to the relevant fixed charge created by this Debenture, subject only to any defences or rights of set-off which the factor may have against the Company,
- 2 14 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to the charges created by or pursuant to this Debenture
- 2 15 The Company shall forthwith upon its execution of this Debenture deliver to BoS -
- 2 15 1 a signed share transfer form in respect of the Original Shares in favour of BoS (or the Nominee),
  - 2 15 2 all share (or stock) certificates and other documents of title in respect of the Original Shares,
  - 2 15 3 a copy (certified a true copy by a director of the Company) of the articles of association of each Subsidiary in force at the date of this Debenture, and

2 15 4 all other documents requested by BoS in respect of the Original Shares,

in each case in order for BoS to perfect its title to the Original Shares or for vesting or enabling it to vest the Original Shares in itself (or the Nominee) or in any purchaser to the intent that BoS may at any time without notice present them for registration

2 16 If at any time the Company holds any Shares other than the Original Shares it will, promptly upon acquiring any interest in such shares, notify BoS of such acquisition. All of such additional shares shall stand charged in favour of BoS by way of first fixed charge and the Company will enter into such additional charge or other documents (if any) as BoS may require in respect of them

2 17 The Company shall forthwith upon its acquisition of any shares as referred to in clause 2 16 deliver to BoS each of the documents referred to in clause 2 15 in respect of those additional shares

### **3 Voting rights and dividends**

3 1 Subject to the terms of clause 3 2, the Company shall be entitled -

3 1 1 to exercise all voting rights in respect of the Shares, and

3 1 2 to receive all dividends declared, paid or payable in respect of the Shares,

in each case until the date on which BoS notifies the Company in writing that the Debenture has become enforceable as referred to in clause 7 of this Debenture

3 2 With effect from the date on which BoS notifies the Company that this Debenture is enforceable in accordance with the terms of clause 7, all voting rights in respect of the Shares and all other rights attached to the Shares may be exercised (without any obligation to do so) by BoS (or the Nominee) in such a manner as it shall (in its absolute discretion) see fit and all dividends and other distributions declared, payable, paid or made in respect of the Shares shall be paid or made to and retained by BoS and may be applied by BoS in accordance with clause 10 of this Debenture

3 3 The Company will promptly pay all calls or other payments, and will discharge all obligations which may become due in respect of the Shares. If the Company fails to make payment of any call or other sum that may be or become payable in respect of the Shares, then BoS may (but shall not be obliged to) pay any such call or other sum and the Company hereby irrevocably and unconditionally undertakes to repay to BoS all such amounts so paid by BoS together with interest from the date of such payment at the Default Rate. All amounts incurred by BoS in accordance with the terms of this clause 3 3 (and any interest thereon) shall form part of the Secured Liabilities in terms of this Debenture

### **4 Continuing Security**

This security will be a continuing security for the Secured Liabilities notwithstanding any intermediate payment or settlement of all or any part of the Secured Liabilities or other matter or thing whatsoever and will be without prejudice and in addition to any other right, remedy or security of whatever sort which BoS may hold at any time for the Secured Liabilities or any other obligation whatsoever and will not be affected by any release, reassignment or discharge of such other right remedy or security

## 5 Undertakings

Save to the extent that the provisions of this clause are inconsistent with or conflict with the terms of any facility letter entered into between (inter alia) the Company and BoS from time to time, the Company will -

- 5 1 at all times comply with the terms of this Debenture and of all agreements relating to the Secured Liabilities,
- 5 2 keep the Assets in good and substantial repair and in good working order and condition, ordinary wear and tear excepted,
- 5 3 preserve and maintain all intellectual property rights owned or used by the Company (including those referred to in clauses 2 1.2 9 to 2 1 2 11),
- 5 4 comply in all material respects with the terms of all applicable laws and regulations including (without limitation) all environmental laws, legislation relating to public health, town & country planning, control and handling of hazardous substances or waste, fire precautions and health and safety at work,
- 5 5 promptly notify BoS of the acquisition by the Company of any estate or interest in any freehold, heritable or leasehold property,
- 5 6 ensure that all Assets that are insurable are insured with reputable insurance companies or underwriters to such extent and against such risks as is normal for prudent companies in businesses similar to those of the Company (or as otherwise requested in writing by BoS from time to time) and (without limitation to the generality of the foregoing) -
  - 5 6 1 pay all premiums and other money due and payable under all such insurances and provide premium receipts or any other evidence of payment promptly upon request to do so by BoS,
  - 5 6 2 ensure that the interest of BoS is noted on the policies in respect of such insurances or, at the request of BoS, that such policies contain such other provisions for the protection of BoS as BoS may from time to time require,
- 5 7 promptly upon request by BoS deposit with BoS all deeds, certificates and documents of title relating to the Assets or any part of them charged by this Debenture and all policies of insurance and assurance,
- 5 8 promptly pay or cause to be paid and indemnify BoS and any Receiver against all present and future rent, rates, taxes, duties, charges, assessments, impositions and outgoings whatsoever now or at any time in the future payable in respect of any of its Properties (or any part of them) or by the owner or occupier of them,
- 5 9 not make any material structural or other material alteration to or to the user of any of its Properties or do or permit to be done anything which is a "development" within the meaning of the Town and Country Planning Acts from time to time (or any orders or regulations under such Acts) or do or permit to be done any act, matter or thing where to do so would have a material and adverse effect on the value of any of its Properties or on the marketability of any of such Properties,
- 5 10 not grant any lease of, part with possession or share occupation of, the whole or any part of any of its Properties or confer any licence, right or interest to occupy or grant any licence or permission to assign, under-let or part with

possession of the same,

- 5 11 not vary, surrender, cancel or dispose of, or permit to be forfeit, any leasehold interest in any of its Properties,
- 5 12 observe and perform in all material respects all covenants, agreements and stipulations from time to time affecting its interest in any of its Properties or contained in any lease, agreement for lease or tenancy agreement under which any part of such Properties may be held,
- 5 13 notify BoS immediately upon becoming aware of it in the event of any creditor executing diligence against the Company or any distress or execution is levied or enforced against the Company or any third party debt order or freezing order is made and served on the Company,
- 5 14 notify BoS immediately upon becoming aware of it if any steps (including, without limitation, the making of any application or the giving of any notice) are taken by any person (including, without limitation, the Company) in relation to the administration, receivership, winding-up or dissolution of the Company,
- 5 15 not allow any person other than itself to be registered under the Land Registration Act 2002 as proprietor of any of its Properties (or any part of them) or create or permit to arise any overriding interest (as specified in Schedule 1 or Schedule 3 to the Land Registration Act 2002) affecting any such property,
- 5 16 not do or cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value or marketability of any of its Assets,
- 5 17 maintain its centre of main interests (COMI) for the purposes of the EU Regulation on Insolvency Proceedings 2000 (NO 1346/2000), in the United Kingdom,
- 5 18 The Company shall not without the prior written consent of BoS -
  - 5 18 1 permit any person to be registered as the holder of all or any of the Shares (other than BoS or the Nominee),
  - 5 18 2 exercise (or purport to exercise) any voting rights in respect of the Shares in any manner which may have an adverse effect on the value of any of the Shares or the ability of BoS to enforce this Debenture including, without limitation, the amendment of the articles of association of any Subsidiary,
  - 5 18 3 take or allow the taking of any action which may result in any shares in the capital of any Subsidiary being issued after the date of this Debenture (other than to the Company), and
  - 5 18 4 cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value or marketability of any of the Shares
- 5 19 The Company shall -
  - 5 19 1 comply in all respects with the terms of the memorandum and articles of association of the Subsidiaries,
  - 5 19 2 promptly notify BoS of the allotment or issue of any shares in the



capital of the Subsidiaries to any person after the date of this Debenture,

5 19 3 promptly pay all calls made from time to time in respect of any unpaid money in relation to the Shares, and

5 19 4 promptly upon request by BoS deposit with BoS all deeds, certificates and documents of title relating to the Shares or any part of them

## **6 Protection of Security**

6 1 If the Company fails to keep any of the Assets in good and substantial repair and in good working order and condition or does not take out and maintain such insurances as set out above or prove to BoS that the premiums and other money have been paid then BoS may (as it thinks fit) repair and keep in repair the Assets or any of them (and for that purpose it or any of its agents may enter upon the properties at any reasonable time and upon reasonable notice of the Company) or take out or renew any such insurance in any sum and on terms as BoS may think fit

6 2 BoS will be entitled to be paid the proceeds of any policy of insurance of the Company (other than in respect of employers' or public liability) and the Company will promptly irrevocably instruct any insurer of a policy to pay the proceeds of it to BoS and undertakes to BoS to repeat that instruction if BoS requires

6 3 All money received on any insurance policy of the Company (unless paid to BoS in terms of clause 6 2) will, as BoS requires, be applied either in making good the loss or damage in respect of which the money is received, or in or towards discharge of the Secured Liabilities

6 4 The Company will permit any authorised representative of BoS at all reasonable times and upon reasonable notice to enter upon any part of the Properties of the Company and of any other property where the Company may be carrying out any contract or other works and to inspect the Company's books of account and other books and documents and those of its subsidiaries

6 5 BoS shall be entitled, at its sole discretion at any time after the security constituted by this Debenture has become enforceable, to have a valuation of the Assets or any part of them carried out from time to time by an independent surveyor or valuer (to be appointed at BoS's sole discretion) and the Company consents to any such valuation report being prepared and agrees to provide such access and other assistance as may be reasonably required by BoS for such purposes, and the Company shall ensure that any tenant or other occupier of the Properties shall ensure access and assistance is provided for the foregoing purposes

6 6 No statutory or other power of granting or agreeing to grant or of accepting or agreeing to accept surrenders of leases or tenancies of the whole or any part of the Properties charged under this Debenture will be capable of being exercised by the Company without the previous written consent of BoS

6 7 The obligations of the Company under this Debenture will not be affected by any act, omission, circumstance, matter or thing which but for this provision might operate to release or otherwise exonerate it from any of its obligations hereunder in whole or in part, including (without limitation) -

6 7 1 any variation, extension, discharge, compromise, dealing with,

exchange or renewal of any right or remedy which BoS may have now or in the future from or against the Company or any other person in respect of the Secured Liabilities,

- 6 7 2 any act or omission by BoS or any other person in taking up, perfecting or enforcing any security or guarantee from or against the Company or any other person or the invalidity or unenforceability of any such security or guarantee,
- 6 7 3 any amendment, variation, restatement or supplement of or to, or novation, transfer or termination (in whole or in part) of, any document relating to the Secured Liabilities or any exercise by BoS (in its absolute discretion) of its rights to refuse, grant, continue, vary, review, determine or increase any credit or facilities to the Company or any other person,
- 6 7 4 any grant of time, indulgence, waiver or concession to the Company or any other person,
- 6 7 5 any arrangement or compromise entered into between BoS and the Company or any other person;
- 6 7 6 the administration, insolvency, bankruptcy, sequestration, liquidation, winding-up, receivership, dissolution, incapacity, limitation, disability, discharge by operation of law or any change in the constitution, name and style of, the Company or any other person,
- 6 7 7 the invalidity, illegality, unenforceability, irregularity or frustration of the Secured Liabilities or any of the obligations of the Company or any other person,
- 6.7 8 any postponement, discharge, reduction, non-provability or other similar circumstance affecting any obligation of any other person resulting from any administration, insolvency, liquidation, receivership or dissolution proceedings or from any law, regulation or order

## **7 Enforcement**

- 7 1 The security constituted by this Debenture shall become enforceable and BoS may exercise all the powers conferred on mortgagees by the Law of Property Act 1925 (as varied or extended by this Debenture), all the powers conferred on the holder of a qualifying floating charge (as defined in the Insolvency Act 1986) by the Insolvency Act 1986 and all or any of the rights and powers conferred by this Debenture without further notice to the Company upon and at any time after the occurrence of any of the following events
  - 7 1 1 if the Company has failed to pay all or any of the Secured Liabilities following a demand for payment by BoS,
  - 7 1 2 any step is taken (including, without limitation, the making of an application or the giving of any notice) by the Company or by any other person to appoint an administrator in respect of the Company,
  - 7 1 3 any step is taken (including, without limitation, the making of an application or the giving of any notice) by the Company (without the prior consent of BoS) or by any other person (which is not frivolous or vexatious and discharged, stayed or dismissed within 14 days of commencement and in any event prior to being published) to wind up or dissolve the Company or to appoint a liquidator, trustee, receiver,

administrative receiver or similar officer of the Company or any part of its undertaking or assets,

- 7 1 4 the making of a request by the Company for the appointment of a Receiver or administrator
- 7 2 Section 103 of the Law of Property Act 1925 (*Regulation of exercise of power of sale*) will not apply to this Debenture but the statutory power of sale will as between BoS and a purchaser from BoS arise on and be exercisable at any time after the execution of this Debenture provided that BoS will not exercise the power of sale until payment of all or any part of the Secured Liabilities has been demanded or a Receiver or administrator has been appointed but this proviso will not affect a purchaser or put him upon inquiry whether such demand or appointment has been validly made
- 7 3 The Company shall not, without the prior written consent of BoS, exercise any of the powers of leasing or of accepting surrenders of leases conferred by Sections 99 (*Leasing powers of mortgagor and mortgagee in possession*) and 100 (*Powers of mortgagor and mortgagee in possession to accept surrenders of leases*) of the Law of Property Act 1925 The statutory powers of sale, leasing and accepting surrenders exercisable by BoS under this Debenture are extended so as to authorise BoS at any time after the security constituted by this Debenture has become enforceable whether in its own name or in that of the Company to grant a lease or leases of the whole or any part or parts of the freehold and leasehold property of the Company with whatever rights relating to other parts of it and containing whatever covenants on the part of the Company and generally on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) and whether or not at a premium as BoS thinks fit
- 7 4 To the extent that Assets constitute Financial Collateral and are subject to a Security Financial Collateral Arrangement created by or pursuant to this Debenture, BoS shall have the right, at any time after this Debenture becomes enforceable, to appropriate all of any part of those Assets in or towards the payment or discharge of the Secured Liabilities The value of any Assets appropriated in accordance with this clause 7 4 shall be the price of those Assets at the time the right of appropriation is exercised as listed on any recognised market index, or determined by such other method as BoS may select (including independent valuation) The Company agrees that the methods of valuation provided for in this clause 7 4 are commercially reasonable for the purpose of Regulation 18 of the Financial Collateral Regulations To the extent that Assets constitute Financial Collateral, the Company agrees that such Assets shall be held or redesignated so as to be under the control of BoS for all purposes of the Financial Collateral Regulations
- 7 5 At any time after this Debenture becomes enforceable, all voting rights in respect of all stock, shares and securities charged by clause 2 1 2 5 may be exercised (without obligation to do so) by BoS (or its nominee) in such a manner as it shall (in its absolute discretion) see fit and all dividends and other distributions payable in respect of such stock, shares and securities shall be paid to and retained by BoS and may be applied by BoS in accordance with clause 10
- 7 6 Section 93 of the Law of Property Act 1925 (*Restriction on consolidation of mortgages*) will not apply to this Debenture
- 7 7 Neither BoS nor any Receiver shall be liable to account to the Company as mortgagee in possession in respect of all or any of the Assets and shall not be liable to the Company for any loss or damage arising from the exercise by

BoS or any Receiver of all or any of the powers conferred by this Debenture or the Law of Property Act 1925

- 7 8 At any time after this Debenture becomes enforceable, BoS may redeem any prior mortgage, charge or encumbrance in respect of all or any of the Assets or procure the transfer of them to itself and may settle the accounts of the prior mortgagee, chargee or encumbrancer and any accounts so settled will be, in the absence of manifest error, conclusive and binding on the Company. All money paid by BoS to the mortgagee, chargee or encumbrancer in accordance with such accounts shall form part of the Secured Liabilities

## **8 Appointment of Receiver or Administrator**

- 8 1 At any time after the security constituted by this Debenture has become enforceable BoS shall be and is entitled by instrument in writing to appoint any one or more persons as -

8 1 1 a Receiver of all or any of the Assets, and/or

8 1 2 an administrator of the Company,

in each case in accordance with and to the extent permitted by applicable laws. BoS may not appoint a Receiver solely as a result of the obtaining of a moratorium or anything done with a view to obtaining a moratorium under Schedule A1 of the Insolvency Act 2000 except with the leave of the court

- 8 2 Where more than one Receiver is appointed they will have power to act separately (unless the appointment of BoS specifies to the contrary)

- 8 3 Any appointment over part only of the Assets charged under this Debenture will not preclude BoS from making any subsequent appointment of a Receiver over any part of the Assets over which an appointment has not previously been made by it

- 8 4 BoS may from time to time determine the remuneration of the Receiver and may (subject to Section 45 of the Insolvency Act 1986) remove the Receiver from all or any part of the Assets of which he is the Receiver and at any time after any Receiver has vacated office or ceased to act, appoint a further Receiver over all or any part of those Assets

- 8 5 The Receiver will be the agent of the Company (which will be solely liable for his acts, defaults and remuneration) and will have and be entitled to exercise in relation to the Company all the powers set out in Schedule 1 to the Insolvency Act 1986 and all the powers conferred from time to time on receivers by statute and in particular by way of addition to but without prejudice to those powers (and those of BoS) the Receiver will have power -

8 5 1 to sell, let or lease or concur in selling, letting or leasing and to vary the terms or determine, surrender or accept surrenders of leases or tenancies of or grant options and licences over all or any part of the Assets in such manner and generally on such terms as he shall think fit in his absolute and unfettered discretion and so that any such sale may be made for cash or for shares or securities of another company or other valuable consideration (in each case payable in a lump sum or by instalments),

8 5 2 to sever any fixtures (including trade and tenant's fixtures) from the property of which they form part,

- 8 5 3 to exercise all powers, rights and/or obligations under any contract or agreement forming part of the Assets, including, without limitation, all voting and other rights attaching to stocks, shares and other securities owned by the Company,
  - 8 5 4 to make and effect all repairs and improvements,
  - 8 5 5 to redeem any prior encumbrance and to settle and pass the accounts of the encumbrancer and any accounts so settled and passed will (subject to any manifest error) be conclusive and binding on the Company and the money so paid will be deemed to be an expense properly incurred by the Receiver,
  - 8 5 6 to promote the formation of a subsidiary or subsidiaries of the Company, including, without limitation, any such company formed for the purpose of purchasing, leasing, licensing or otherwise acquiring interests in all or any of the assets of the Company,
  - 8 5 7 to make any arrangement or compromise which BoS or the Receiver may think fit,
  - 8 5 8 to make and effect all repairs, renewals, improvements, and insurances,
  - 8 5 9 to appoint managers officers and agents for any of the purposes referred to in this clause 8 at such salaries as the Receiver may determine,
  - 8 5 10 to do all other acts and things as may be considered by the Receiver to be incidental or conducive to the above or otherwise incidental or conducive to the preservation, improvement or realisation of the Assets
- 8 6 No purchaser or other person dealing with BoS, any Receiver or any agent or delegate shall be obliged or concerned to enquire whether the right of BoS or any Receiver to exercise any of the powers conferred by or referred to in this Debenture has arisen or become exercisable, whether any of the Secured Liabilities remain outstanding or be concerned with notice to the contrary or whether an event has occurred to authorise BoS or any Receiver to act or as to the propriety or validity of the exercise or purported exercise of any such power

## **9 Power of Attorney**

- 9 1 The Company irrevocably and by way of security appoints BoS (whether or not a Receiver or administrator has been appointed) and also (as a separate appointment) any Receiver severally as the attorney and attorneys of the Company, for the Company and in its name and on its behalf and as its act and deed or otherwise, to execute and deliver and otherwise perfect any deed, assurance, agreement, instrument or act which may be required of the Company under this Debenture or may be required or deemed proper in the exercise of any rights or powers conferred on BoS or any Receiver under this Debenture or otherwise for any of the purposes of this Debenture
- 9 2 The Company ratifies and confirms and agrees to ratify and confirm whatever any attorney does or purports to do under its appointment under clause 9 1

## **10 Application of security proceeds**

- 10 1 Any money received under the powers conferred by this Debenture will,

subject to the payment or repayment of any prior claims, be paid or applied in the following order of priority -

- 10 1 1 in or towards satisfaction of all costs, charges and expenses incurred, and payments made, by BoS and/or the Receiver including the remuneration of the Receiver,
- 10 1 2 in or towards satisfaction of the Secured Liabilities in whatever order BoS may require,
- 10 1 3 as to the surplus (if any) to the person(s) entitled to it,

provided that the Receiver may retain any money in his hands for so long as he thinks fit, and at all times prior to the unconditional and irrevocable payment or discharge in full of the Secured Liabilities BoS may, without prejudice to any other rights BoS may have at any time and from time to time, place and keep for such time as BoS may think prudent any money received, recovered or realised under or by virtue of this Debenture to or at a separate or suspense account to the credit either of the Company or of BoS as BoS thinks fit without any immediate obligation on the part of BoS to apply such money or any part of such money in or towards the payment or discharge of the Secured Liabilities

- 10 2 Subject to clause 10 1, any money received or realised by BoS from the Company or a Receiver under this Debenture or any administrator may be applied by BoS to any item of account or liability or transaction in such order or manner as BoS may determine

## **11 Indemnity**

- 11 1 BoS, the Receiver and every attorney, manager, agent, employee or other person appointed by BoS or the Receiver under or in connection with this Debenture shall be indemnified by the Company in respect of all liabilities, costs, losses and expenses incurred by it or him in the execution (or purported execution) of any of the powers, authorities or discretions vested in it or him pursuant to the terms of this Debenture (or by any law or regulation) and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way in connection with or relating to all or any of the Assets and BoS, the Receiver or any such other person may retain and pay all sums in respect of the same out of the money received under the powers conferred by this Debenture
- 11 2 The indemnity under clause 11 1 shall not apply to the extent that any such liability, cost, loss and/or expense arises as a result of the wilful default or gross negligence of BoS or the Receiver

## **12 Costs and Expenses**

The Company shall pay or reimburse to BoS on demand (on a full indemnity basis) all reasonable costs, charges and expenses (including legal fees) incurred or to be incurred by BoS in the creation, registration, perfection, discharge and/or assignment of this Debenture or any amendment or waiver in connection with this Debenture, and all costs, charges and expenses (including legal fees) in relation to the enforcement of this Debenture (including, without limitation, the costs of any proceedings in relation to this Debenture or the Secured Liabilities), all of which costs, charges and expenses shall form part of the Secured Liabilities

## **13 New Accounts**

At any time following BoS receiving notice (actual or constructive) that all or any of

the Assets have been encumbered by the grant of any mortgage, lien, charge or other security right or have been disposed of, BoS will be entitled to close the Company's then current account or accounts and to open a new account or accounts with the Company and (without prejudice to any right of BoS to combine accounts) no money paid in or carried to the Company's credit in any such new account will be appropriated towards or have the effect of discharging any part of the amount due to BoS on any closed account. If BoS does not open a new account or accounts, BoS will nevertheless be treated as if it had done so at the time when it received (or was deemed to have received) such notice and as from that time all payments made to BoS will be credited or be treated as having been credited to the new account or accounts and will not reduce the amount of the Secured Liabilities.

#### **14 Set-off**

- 14 1 The Company agrees that any money from time to time standing to its credit on any account (whether current, deposit, loan or of any other nature whatsoever) with BoS may be retained as cover for and/or applied by BoS at any time and without notice to the Company (whether on or before or after the expiry of any fixed or minimum period for which such money may have been deposited) in or towards payment or discharge of the Secured Liabilities or such part of them as BoS may select.
- 14 2 If BoS exercises any rights in respect of any money as referred to in clause 14 1 (including, without limitation, any rights of set-off, accounting or retention or similar rights) in relation to any liability of the Company and that liability or any part of it is in a different currency from any credit balance against which BoS seeks to exercise its rights, BoS may use the currency of the credit balance to purchase an amount in the currency of the liability at the then prevailing BoS spot rate of exchange and to pay out of the credit balance all costs, charges and expenses incurred by BoS in connection with that purchase.
- 14 3 BoS shall not be liable for any loss of interest caused by the determination before maturity of any deposits or any loss caused by the fluctuation in any exchange rate at which any currency may be bought or sold by BoS.

#### **15 Investigations**

- 15 1 If any event of default (howsoever described) in any agreement between BoS and the Company occurs then (while it is continuing unwaived or unremedied) BoS shall be entitled to initiate an investigation of, and/or instruct the preparation of a report (accounting, legal, valuation or other) on, the business and affairs of the Company and/or any other Group Company which BoS considers necessary to ascertain the financial position of the Company, all fees and expenses incurred by BoS in so doing being payable by the Company.
- 15 2 The Company hereby consents to the provision by BoS of all information in relation to the Company which BoS provides to any person in relation to the preparation of a report as is referred to in clause 15 1 above.

#### **16 Notices**

- 16 1 Any communication to be made under or in connection with this Debenture shall be made in writing and, unless otherwise stated, may be made by fax or letter.
- 16 2 The address and fax number of BoS for any communication or document to be made or delivered under or in connection with this Debenture is Bank of Scotland plc, Princess House, 7<sup>th</sup> Floor, 1 Suffolk Lane, London EC4R 0AX.

for the attention of Fernando Rodriguez (Fax no 020 7489 3275) or any substitute address or fax number as BoS may notify to the Company by not less than five Business Days' notice

- 16 3 The address of the Company for any communication or document under or in connection with this Debenture is its registered office at the time such communication or document is made or delivered. The fax number of the Company for any communication or document to be made or delivered under or in connection with this Debenture is the fax number most recently provided to BoS by the Company
- 16 4 Subject to clause 16 5, any communication made or document made or delivered by one person to another under or in connection with this Debenture will only be effective -
  - (a) if by way of fax, when received in legible form, or
  - (b) if by way of letter, when it has been delivered to the relevant address or at noon on the third Business Days (in the case of an inland address) or the fifth Business Day (in the case of an overseas address) after being deposited in the post, first class postage prepaid, in an envelope addressed to it at that address
- 16 5 Any communication or document to be made or delivered to BoS will be effective only when actually received by BoS

## 17 Miscellaneous

- 17 1 If at any time any provision of this Debenture is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will be in any way affected or impaired
- 17 2 No failure or delay by BoS in exercising any right or remedy under this Debenture shall operate as a waiver, and no single or partial exercise shall prevent further exercise of any right or remedy
- 17 3 BoS will be entitled to disclose to its advisers and to any prospective or actual assignee, any party to a securitisation, transferee or participant, any other member of the BoS Group, its auditors, advisers or applicable regulatory authority, any rating agency, or any other person or entity who enters or proposes to enter into any transaction as referred to in this Clause 16 with BoS in relation to this Debenture (in each case, together with their professional advisers) all information, including any confidential information, financial information and any other information given to BoS in relation to this letter if, in respect of a disclosure to any prospective or actual assignee, any party to a securitisation, transferee or participant, the person to whom the information is to be given has agreed to keep such information confidential
- 17 4 Clause 17 3 constitutes the entire agreement between the parties to this Debenture in relation to the obligations of BoS under this Debenture regarding confidential information and supersedes any previous agreement, whether express or implied, regarding confidential information
- 17 5 BoS acknowledges that some or all of the confidential information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and undertakes not to use any confidential information for any unlawful purpose



- 17 6 Save to the extent expressly provided to the contrary in this Debenture, a third party (being any person other than the Company or BoS and their permitted successors and assigns) may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 and no consent of any third party is required for any amendment, variation or termination of this Debenture
- 17 7 A certificate by any duly authorised officer of BoS as to the amount of the Secured Liabilities or any part of them shall, in the absence of manifest error, be conclusive and binding on the Company
- 17 8 BoS may at any time (without notice or consent) assign, transfer or otherwise dispose of in any manner it sees fit, all or any part of the benefit of this Debenture (or all or any of its rights under this Debenture) and/or any of its obligations under this Debenture to any person. The Company may not assign, transfer or otherwise dispose of any part of the benefit or burden of this Debenture or all or any of its rights under this Debenture without the prior written consent of BoS

## 18 Definitions

18 1 In the interpretation of this Debenture -

**"Assets"** means the whole of the property (including uncalled capital) which is or may be from time to time comprised in the property and undertaking of the Company,

**"BoS"** means Bank of Scotland plc (Company Number SC327000) having its registered office at The Mound, Edinburgh EH1 1YZ and its successors, assignees and transferees

**"BoS Group"** means BoS, HBOS plc (Company Number SC218813), any subsidiary of either of them, any holding company of either of them and any subsidiary of any such holding company,

**"Business Day"** means a day (other than a Saturday or Sunday) when the branch of BoS at which the Company's account is located is open for business,

**"Default Rate"** means the rate of interest payable in accordance with the terms of any agreements or letters setting out the terms of or constituting the Secured Liabilities in relation to any amount which is not paid on the due date for payment,

**"Financial Collateral"** shall have the meaning given to that expression in the Financial Collateral Regulations

**"Financial Collateral Regulations"** means the Financial Collateral Arrangements (No 2) Regulations 2003 (S I 2003 No 3226),

**"Fixed Charge Asset"** means an Asset for the time being comprised within a mortgage, fixed charge or assignment by way of security created by clause 2 1, 2 2, 2 3 or (with effect from the date of its creation) any security created pursuant to clause 2 11,

**"Group"** means the Parent, the Company and each of the Company's Subsidiaries and **"Group Company"** shall be construed accordingly,

**"Parent"** means Terrace Hill Group Plc (Company Number SC149799) having its registered office at 24 Great King Street, Edinburgh EH3 6QN,

**"Permitted Disposal"** means

- (a) the disposal of stock subject only to the floating charge created by clause 2 1 3 on an arm's length basis in the ordinary course of trading,
- (b) disposals of obsolete or redundant assets (other than Fixed Charge Assets, other Assets subject to a fixed charge or security in favour of BoS and any other heritable or leased property in Scotland) which are no longer required for the business of any Group Company,
- (c) disposals of assets (other than Fixed Charge Assets, other Assets subject to a fixed charge or security in favour of BoS and other heritable or leased property in Scotland) in exchange for replacement assets comparable or superior as to type, value and quality,
- (d) any other disposal which is expressly permitted under the terms of any agreements or letters between BoS and the Company or setting out the terms of or constituting the Securities Liabilities and any other disposal which is expressly agreed by BoS from time to time

**"Permitted Security Right"** means any Security Right (or in the case of (b) only, any lien)

- (a) created or outstanding with the prior written consent of BoS,
- (b) any lien arising by operation of law or in the ordinary course of trading (and not as a result of any default or omission on the part of any member of the Group) and securing obligations which are either not more than three months overdue or are being contested in good faith and with respect to which, in either case, adequate reserves are being maintained,
- (c) any Security Right arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Group in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by such member, and
- (d) any Security Right over goods and products, or over the documents or insurance policies relating to such goods and products, arising in the ordinary course of trading in connection with documentary credit transactions, provided that any such Security Right secures only so much of the acquisition cost or selling price of such goods and products (and amounts incidental to any such cost or price) which is required to be paid within 180 days after the date upon which the same was first incurred,

**"Properties"** means at any time the freehold, heritable and leasehold properties of the Company at that time or any of them as the context requires,

**"Receivables"** means all sums of money now or in the future receivable by the Company which consist of or are derived from any Asset referred to in clauses 2 1 1, 2 1 2, 2 2 or 2 3 or (with effect from the date of the creation of any such security) any Assets comprised in any security created pursuant to clause 2 11,

**"Receiver"** means an administrative receiver, receiver and manager or other receiver appointed pursuant to this Debenture in respect of the Company or over all or any of the Assets charged by or pursuant to this Debenture,

**"Secured Liabilities"** means all or any money and liabilities which shall from time to time (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner to BoS by the Company, whether actually or contingently, solely

or jointly and whether as principal or surety (or guarantor or cautioner), including any money and liabilities of the Company to a third party which have been assigned or novated to or otherwise vested in BoS and including interest, discount, commission and other lawful charges or expenses which BoS may in the course of its business charge or incur in respect of any of those matters or for keeping the Company's account, and so that interest shall be computed and compounded according to the usual BoS rates and practice (or otherwise agreed in writing) after as well as before any demand made or judgment or decree obtained under or in relation to this Debenture,

**"Security Financial Collateral Arrangements"** shall have the meaning given to that expression in the Financial Collateral Regulations,

**"Security Right"** means any mortgage, charge, security, pledge, lien, right of set-off, right to retention of title or other encumbrance, whether fixed or floating, over any present or future property, asset or undertaking,

**"Subsidiary"** means, in respect of any company, person or entity, any company, person or entity directly or indirectly controlled by such company, person or entity (including any Subsidiary acquired after the date of this Debenture) and **"Subsidiaries"** shall mean all or any of them, as appropriate

## 17 2 References to -

17 2 1 statutes, statutory provisions and other national or EC legislation shall include all amendments, substitutions, modifications and re-enactments for the time being in force and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant legislation,

17 2 2 **"control"** of any company shall be interpreted in accordance with Section 995 of the Income Tax Act 2007,

17 2 3 **"including"** shall not be construed as limiting the generality of the words preceding it,

17 2 4 **"property"** shall include any interest (legal or equitable) in real or personal property and any thing in action,

17 2 4 this Debenture shall include the Schedules,

17 2 5 any term or phrase defined in the Companies Act 2006 (as amended from time to time) shall bear the same meaning in this Debenture,

17 2 6 words importing the singular shall include the plural and vice versa and words denoting any gender shall include all genders,

17 2 7 this Debenture and to any provisions of it or to any other document referred to in this Debenture shall be construed as references to it in force for the time being as amended, varied, supplemented, restated, substituted or novated from time to time,

17 2 8 any person are to be construed to include references to a corporation, firm, company, partnership, joint venture, unincorporated body of persons, individual or any state or agency of a state, whether or not a separate legal entity,

17 2 9 any person are to be construed to include that person's assignees or transferees or successors in title, whether direct or indirect,

17 2 10 clause headings are for ease of reference only and are not to affect the interpretation of this Debenture

17 3 The terms of the documents under which the Secured Liabilities arise and of any side letters between the Company and BoS in relation to them are incorporated herein to the extent required for any purported disposition of the Assets (or any of them) contained in this Debenture to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989

17 4 The parties intend that this document shall take effect as a deed

17 5 The use of bold type shall be ignored in the construction of this Debenture

## 19 Release

If BoS is satisfied that the Secured Liabilities have been unconditionally and irrevocably paid or discharged in full, BoS will at the request and cost of the Company take whatever action is required in order to release the Assets from the security constituted by this Debenture

## 19. Governing Law

This Debenture will be governed by and construed according to English law

**IN WITNESS** whereof this Debenture has been executed by the Company as a deed and signed by BoS and shall take effect on the day and year stated at the beginning of this document

| |

| |

| |



## Schedule 1

## Freehold and leasehold property

Address or Description	Title No.(s) (if registered land)	Freehold/leasehold
12, 18, 40 and 51 Peerage Court, Glenmore Road, Minehead	ST108370 ST108372 ST108373 ST108386 ST108377 ST108392	Leasehold
2, 3, 4, 5, 6, 9, 11 and 11a Raleigh Close  Flat 3 and 9, 17 Raleigh Close  Flat 3, 5, 6, 7 and 8, 19 Raleigh Close  Lapwing Lane, Manchester M20 2BY	GM601267	Leasehold and  Freehold (reversionary interest)
2, 8, 9 and 10 Swallows Court, New Road, Stoke Gifford	AV200507	Freehold

The address for service on BoS in the case of any registered land is Princess House,  
9<sup>th</sup> Floor, 1 Suffolk Lane, London EC4R 0AX for the attention of Satish Lakhani

## Schedule 2


## The Original Shares


Name of company including Company Number) ("Subsidiary")	Number of Shares	Class of Shares	Nominal Value of Shares	Percentage of Issued Share Capital
None as at the date hereof				

## EXECUTION

EXECUTED AS A DEED by )  
 Terrace Hill (Property Investment No 2) Ltd ) (Director)  
 on being signed by )  
 a Director )  
 in the presence of )

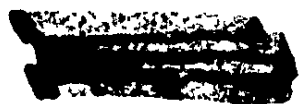
\_\_\_\_\_  
 Witness  
 \_\_\_\_\_ Full Name  
 \_\_\_\_\_ Address  
 \_\_\_\_\_

EXECUTED by JO HEYWOOD as attorney  Attorney  
 for **BANK OF SCOTLAND PLC** in the presence of -

 \_\_\_\_\_  
 Witness  
T. Bishai \_\_\_\_\_ Full Name  
CMS Cannon McKenna \_\_\_\_\_ Address  
Mitra House \_\_\_\_\_

160 Aldersgate Street  
EC1A 4DD





## EXECUTION

EXECUTED AS A DEED by \_\_\_\_\_ )  
 Terrace Hill (Property Investment No 2) Ltd ) (Director)  
 on being signed by \_\_\_\_\_ )  
 a Director \_\_\_\_\_ )  
 in the presence of \_\_\_\_\_ )

\_\_\_\_\_  
 \_\_\_\_\_ Witness  
LAURA SENTKOVSKY Full Name  
BORWIN LEIGHTON PAISON Address  
ADELAIDE HOWE, LONDON EC4R 9HA

EXECUTED by \_\_\_\_\_ as attorney \_\_\_\_\_ Attorney  
 for **BANK OF SCOTLAND PLC** in the presence of -

\_\_\_\_\_  
 \_\_\_\_\_ Witness  
 \_\_\_\_\_ Full Name  
 \_\_\_\_\_ Address  
 \_\_\_\_\_

