



**Registration of a Charge**

Company name: **MODA LIVING LIMITED**

Company number: **09109087**



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Received for Electronic Filing: **11/02/2020**

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**Details of Charge**

Date of creation: **10/02/2020**

Charge code: **0910 9087 0005**

Persons entitled: **WELLS FARGO BANK, N.A., LONDON BRANCH AS SECURITY TRUSTEE  
FOR EACH OF THE SECURED PARTIES.**

Brief description:

**Contains fixed charge(s).**

**Contains negative pledge.**

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**Authentication of Form**

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

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**Authentication of Instrument**

Certification statement: **I 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:

**CLIFFORD CHANCE LLP**



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

Company number: 9109087

Charge code: 0910 9087 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 10th February 2020 and created by MODA LIVING LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 11th February 2020 .

Given at Companies House, Cardiff on 12th February 2020

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



**Companies House**



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

DATED 10 FEBRUARY 2020

MODA LIVING LIMITED

AS CHARGOR

IN FAVOUR OF

WELLS FARGO BANK, N.A., LONDON BRANCH

AS THE SECURITY AGENT

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DEVCO SHARE SECURITY AGREEMENT

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THIS AGREEMENT is made by way of deed on 10 FEBRUARY 2020 by:

- (1) **MODA LIVING LIMITED** (registered in England and Wales with company number 09109087) (the "**Chargor**") in favour of:
- (2) **WELLS FARGO BANK, N.A., LONDON BRANCH** as security trustee for each of the Secured Parties (the "**Security Agent**").

IT IS AGREED as follows:

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions**

In this Agreement:

"**Assigned Loans**" means each and every sum paid or payable from time to time by Moda Living (Springside) Limited under any Inter-company Loan Agreement to the Chargor pursuant to any Inter-company Loan Agreement and any other sum from time to time paid or payable by any Obligor to the Chargor.

"**Facility Agreement**" means the facility agreement dated on or about the date of this Agreement between, amongst others, the Borrowers, each Arranger, Wells Fargo Bank, N.A., London Branch as the Agent, LaSalle Investment Management as the Tranche B Agent, Wells Fargo Bank, N.A., London Branch as the Security Agent and the Lenders (each as defined in that agreement as amended, varied, novated or supplemented from time to time).

"**Inter-company Loan Agreement**" means any loan agreement and/or intercompany debt arrangement entered into or to be entered into between the Chargor as lender and any member of the Group from time to time.

"**Notice of Security**" means a notice of security in substantially the form set out in Schedule 1 (*Form of Notice of Assignment of Assigned Loans*), Schedule 2 (*Relevant Contracts*) or in such form as may be specified by the Security Agent.

"**Receiver**" means a receiver, receiver and manager or, where permitted by law, an administrative receiver of the whole or any part of the Security Assets and that term will include any appointee made under a joint or several appointment.

"**Related Assets**" means all dividends, interest and other moneys payable in respect of any Share and all other rights, benefits and proceeds in respect of or derived from any Share (whether by way of redemption, bonus, preference, option, substitution, conversion, compensation or otherwise) held by, to the order or on behalf of, the Chargor at any time.

"**Related Rights**" means, in relation to any asset:

- (a) the proceeds of sale or rental of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;

- (c) all rights, powers, benefits, claims, causes of action, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of or derived from that asset; and
- (d) any moneys and proceeds paid or payable in respect of that asset.

**"Relevant Contract"** means:

- (a) the Joint Venture Agreement; and
- (b) any other contract or other agreement to which the Chargor is a party which is designated a Relevant Contract by the Security Agent and the Chargor.

**"Relevant Share"** means all Shares held by the Chargor from time to time in Moda Living (Springside) Limited (registered in England and Wales with company number 10536307).

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

**"Secured Party"** means the Security Agent, the Agent, the Tranche B Agent, each Lender and each Arranger from time to time party to the Facility Agreement and any Receiver or Delegate.

**"Security Assets"** means each of the assets and undertaking of the Chargor which from time to time are, or are expressed to be, the subject of any Security created or expressed to be created by it in favour of the Security Agent by or pursuant to this Agreement.

**"Security Period"** means the period beginning on the date of this Agreement and ending on the date on which the Security Agent is satisfied that the Secured Liabilities have been irrevocably and unconditionally paid or discharged in full and no Finance Party is under any further actual or contingent obligation to make advances or provide other financial accommodation to any Obligor or any other person under any of the Finance Documents.

**"Share"** means any stock, share, debenture or other security and all Related Assets.

## 1.2 Terms defined in other Finance Documents

Unless defined in this Agreement or the context otherwise requires, a term defined in the Facility Agreement or in any other Finance Document has the same meaning in this Agreement or any notice given under or in connection with this Agreement, and as if all references in those defined terms to the Facility Agreement or other Finance Document were a reference to this Agreement or that notice.

## 1.3 Construction

Clauses 1.2 (*Construction*) and 1.3 (*Currency symbols and definitions*) of the Facility Agreement will apply as if incorporated in this Agreement or in any notice given under

or in connection with this Agreement, as if all references in that Clause to the Facility Agreement were a reference to this Agreement or that notice.

#### **1.4 Application of provisions in Facility Agreement**

Clauses 1.6 (*Third party rights*), 34 (*Payment Mechanics*), 35 (*Set-off*), 37.1 (*Accounts*) and 37.2 (*Certificates and determinations*) of the Facility Agreement (insofar as any payment obligation referred to therein relates to a payment obligation under this Agreement) are deemed to form part of this Agreement as if expressly incorporated into it and as if:

- (a) all references in those clauses to the Facility Agreement were references to this Agreement; and
- (b) all references in those clauses to a Borrower or an Obligor were references to the Chargor.

#### **1.5 Acknowledgement of terms**

The Chargor hereby acknowledges that it has received a copy of, and read, the Facility Agreement.

#### **1.6 Present and future assets**

A reference in this Agreement to any Share, Security Asset or other asset includes, unless the contrary intention appears, present and future Shares, Security Assets and other assets.

#### **1.7 Fixed Security**

Clauses 3.1 (*Shares*) to 3.3 (*Other contracts*) shall be construed as creating a separate and distinct fixed charge or assignment by way of security over each relevant asset within any particular class of assets defined under this Agreement and the failure to create an effective fixed charge or assignment by way of security (whether arising out of this Agreement or any act or omission by any party) on any one asset shall not affect the nature of any fixed charge or assignment imposed on any other asset whether within that same class of assets or not.

#### **1.8 No obligation**

The Security Agent shall not be under any obligation in relation to the Security Assets as a consequence of this Agreement and the Chargor shall at all times remain liable to perform all obligations expressed to be assumed by it in respect of the Security Assets.

#### **1.9 Security Agent**

The parties to this Agreement acknowledge that the Security Agent shall act in accordance with clause 30 (*Role of the administrative parties*) of the Facility Agreement.



## **2. COMMON PROVISIONS**

All the Security constituted by or pursuant to this Agreement is:

- (a) created with full title guarantee;
- (b) created in favour of the Security Agent as trustee for the Secured Parties and the Security Agent shall hold the benefit of this Agreement and the Security created by or pursuant to it on trust for the Secured Parties; and
- (c) continuing security for the payment and discharge of all the Secured Liabilities.

## **3. CREATION OF SECURITY INTERESTS**

### **3.1 Shares**

The Chargor charges by way of first fixed charge all of its rights, title and interest from time to time in and to the Relevant Shares and all other Related Assets and all other Related Rights.

### **3.2 Assignment of Loans**

- (a) The Chargor assigns and agrees to assign absolutely all of its rights, title and interest, from time to time, in, under and to the Assigned Loans and all Related Rights.
- (b) The Chargor charges (to the extent not validly and effectively assigned pursuant to paragraph (a) above) by way of first fixed charge all of its rights, title and interest, from time to time, in, under and to the Assigned Loans and all Related Rights.

### **3.3 Other contracts**

The Chargor charges by way of first fixed charge all of its rights, title and interest from time to time in and to each Relevant Contract and all Related Rights.

## **4. PROVISIONS AS TO SECURITY AND PERFECTION**

### **4.1 Negative pledge and restriction on dealings**

Except where agreed in writing by the Security Agent or as permitted under the Finance Documents, the Chargor will not, at any time during the Security Period, create or permit to subsist any Security over all or any part of the Security Assets or dispose of or otherwise deal with all or any part of the Security Assets.

### **4.2 Implied covenants for title**

- (a) The covenants set out in Sections 3(1), 3(2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to Clause 3 (*Creation of Security Interests*).

- (b) It shall be implied in respect of Clause 3 (*Creation of Security Interests*) that the Chargor is disposing of the Security Assets free from all charges and incumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment).

#### **4.3 Notices of Security**

- (a) The Chargor shall ensure delivery to the Security Agent on the date of this Agreement or as may otherwise be requested from time to time by the Security Agent of the Notices of Security duly executed by or on behalf of the Chargor and use reasonable endeavours to procure from each recipient of those Notices of Security an acknowledgement, in the form set out in such Notice of Security.
- (b) If an Event of Default is continuing, the Chargor shall promptly in accordance with any notice by the Security Agent to the Chargor:
  - (i) join the Security Agent in giving notices of security (in such form as may be specified by the Security Agent) in respect of any asset which is expressed to be the subject of an assignment or charge pursuant to Clause 3 (*Creation of Security Interests*) (including any asset in respect of which notice has previously been given in accordance with this Clause 4.3 (*Notices of Security*)); and
  - (ii) use reasonable endeavours to procure from each recipient of those notices an acknowledgement in a form satisfactory to the Security Agent.

#### **4.4 Delivery of share certificates**

The Chargor shall:

- (a) promptly upon the date of this Agreement, deposit with the Security Agent (or procure the deposit of) all certificates or other documents of title to the Relevant Shares and stock transfer forms (executed in blank by it or on its behalf); and
- (b) promptly upon the accrual, offer or issue of any stocks, shares, warrants or other securities in respect of or derived from the Relevant Shares (or upon acquiring any interest therein), notify the Security Agent of that occurrence and procure the delivery to the Security Agent of (i) all certificates or other documents of title representing such items and (ii) such stock transfer forms or other instruments of transfer (executed in blank by it or on its behalf) in respect thereof as the Security Agent may request.

#### **4.5 Assigned Loans**

The Chargor shall not take, or omit to take, any action which might result in (a) the alteration or impairment of any rights in the Assigned Loans, (b) any default of any of its obligations under any Inter-company Loan Agreement or in respect of any Assigned Loan, (c) any right to terminate any Inter-company Loan Agreement or any Assigned Loan becoming exercisable by any other party to that agreement, or (d) any counterclaims or rights of set-off arising under any Inter-company Loan Agreement or under any Assigned Loan.

## **5. FURTHER ASSURANCE**

- (a) The Chargor shall promptly, at its own cost, take all such action (including filings, registrations and notarisations and applying for relief against forfeiture) and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably require to:
  - (i) create, perfect, protect and/or maintain the Security created or intended to be created in respect of the Security Assets in accordance with the rights vested in it under this Agreement (which may include the execution by the Chargor of a mortgage, charge or assignment over all or any of the assets constituting, or intended to constitute, Security Assets) or for the exercise of any of the rights, powers and remedies of the Security Agent provided by or pursuant to this Agreement or by law;
  - (ii) confer on the Security Agent Security over any asset or undertaking of the Chargor located in any jurisdiction outside England and Wales equivalent or similar to the security intended to be conferred by or pursuant to this Agreement; and/or
  - (iii) facilitate the realisation of the Security Assets following an Event of Default which is continuing.
- (b) The covenant set out in Section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in paragraph (a) above.

## **6. SHARES: VOTING RIGHTS AND DIVIDENDS**

### **6.1 Voting rights and dividends prior to an Event of Default**

Prior to the occurrence of an Event of Default (which is continuing), the Chargor shall:

- (a) be entitled to receive all dividends, interest and other moneys or distributions of an income nature arising from the Relevant Shares; and
- (b) exercise all voting rights in relation to the Relevant Shares.

### **6.2 Voting rights and dividends after an Event of Default**

Upon the occurrence of an Event of Default (which is continuing), the Security Agent may, at its discretion, (in the name of the Chargor or otherwise and without any further consent or authority from the Chargor):

- (a) exercise (or refrain from exercising) any voting rights in respect of the Relevant Shares;
- (b) apply all dividends, interest and other moneys or distributions of an income nature arising from the Relevant Shares in accordance with Clause 13 (*Application of Moneys*);

- (c) transfer the Relevant Shares into the name of the Security Agent or such nominee(s) of the Security Agent as it shall require; and
- (d) exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Relevant Shares, including the right, in relation to any company whose shares or other securities are included in the Relevant Shares, to concur or participate in:
  - (i) the reconstruction, amalgamation, sale or other disposal of such company or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence thereof);
  - (ii) the release, modification or variation of any rights or liabilities attaching to such shares or securities; and
  - (iii) the exercise, renunciation or assignment of any right to subscribe for any shares or securities,

in each case in the manner and on the terms the Security Agent thinks fit, and the proceeds of any such action shall form part of the Relevant Shares

### **6.3 Shares: Voting rights generally**

The Chargor shall not exercise (and shall procure that any nominee acting on its behalf does not exercise) its voting rights in relation to the Relevant Shares in any manner, or otherwise permit or agree to or concur or participate in any:

- (i) variation of the rights attaching to or conferred by all or any part of the Relevant Shares;
- (ii) increase in the issued share capital of any company whose shares are charged pursuant to this Agreement;
- (iii) exercise, renunciation or assignment of any right to subscribe for any shares or securities; or
- (iv) reconstruction, amalgamation, sale or other disposal of such company or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence thereof), in relation to any company whose shares or other securities are included in the Relevant Shares,

which in the opinion of the Security Agent would prejudice the value of, or the ability of the Security Agent to realise, the security created by this Agreement provided that the proceeds of any such action shall form part of the Relevant Shares.

### **6.4 Shares: Payment of calls**

The Chargor shall pay when due all calls or other payments which may be or may become due in respect of any of the Relevant Shares, and in any case of default by it in such payment, the Security Agent may, if it thinks fit, make such payment on its behalf in which case any sums paid by the Security Agent shall be reimbursed by the Chargor

to the Security Agent on demand and shall carry interest from the date of payment by the Security Agent until reimbursed at the rate from time to time applicable to unpaid sums specified in the Facility Agreement.

#### **6.5 Shares: PSC notices**

The Chargor shall:

- (i) within the relevant timeframe, comply with any notice it receives pursuant to Part 21A of the Companies Act 2006 from Moda Living (Springside) Limited; and
- (ii) promptly provide the Security Agent with a copy of any such notice.

### **7. REPRESENTATIONS**

The Chargor makes the representations and warranties set out in this Clause 7 (*Representations*) to each Secured Party.

#### **7.1 Status**

- (a) It is a limited liability company, duly incorporated and validly existing under the law of its jurisdiction of incorporation.
- (b) It has the power to own its assets and carry on its business as it is being conducted.

#### **7.2 Centre of Main Interests**

For the purposes of Regulation (EU) 2015/848 of 20 May 2015 on Insolvency Proceedings (Recast) (the "**Recast Regulation**"), its centre of main interest (as that term is used in Article 3(1) of the Recast Regulation) is situated in England and Wales and it has no "establishment" (as that term is used in Article 2(10) of the Recast Regulation) in any other jurisdiction.

#### **7.3 Binding obligations**

The obligations expressed to be assumed by it in this Agreement are, subject to the Legal Reservations, legal, valid, binding and enforceable obligations.

#### **7.4 Non-conflict with other obligations**

The entry into and performance by it of, and the transactions contemplated by, this Agreement and the granting of the security do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its constitutional documents (including the Joint Venture Agreement); or
- (c) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument.

## **7.5 Power and authority**

- (a) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Agreement and the transactions contemplated by this Agreement.
- (b) No limit on its powers will be exceeded as a result of the borrowing, grant of security or giving of guarantees or indemnities contemplated by the this Agreement.

## **7.6 Validity and admissibility in evidence**

- (a) Except for registration of this Agreement (or the security interest created thereunder) in accordance with Clause 7.10 (*No filing or stamp taxes*), all Authorisations required:
  - (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in this Agreement; and
  - (ii) to make this Agreement admissible in evidence in its Relevant Jurisdictions,

have been obtained or effected and are in full force and effect.

- (b) All Authorisations necessary for the conduct of the business, trade and ordinary activities of the Chargor have been obtained or effected and are in full force and effect.

## **7.7 Governing law and enforcement**

- (a) Subject to the Legal Reservations and the Perfection Requirements, the choice of the governing law of this Agreement will be recognised and enforced in its Relevant Jurisdictions.
- (b) Subject to the Legal Reservations and the Perfection Requirements, any judgment obtained in relation to this Agreement in the jurisdiction of the governing law of this Agreement will be recognised and enforced in its Relevant Jurisdictions.

## **7.8 Deduction of tax**

It is not required under United Kingdom law, the law of its jurisdiction of incorporation or elsewhere to make any deduction or withholding for or on account of Tax from any payment of the Secured Liabilities.

## **7.9 Winding up**

No corporate actions, legal proceedings or other procedure or steps have been taken, or notice given in respect of a composition, compromise, assignment or arrangement with any creditor of the Chargor or in relation to the suspension of payments or moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation of, or the appointment of an administrator to, the Chargor, and no such step is intended by

any member of the Chargor (except for the purposes of any solvent re-organisation or reconstruction which has previously been approved by the Security Agent).

#### **7.10 No filing or stamp taxes**

Under the laws of its Relevant Jurisdiction it is not necessary that this Agreement be registered, filed, recorded, notarised or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to this Agreement or the transactions contemplated by this Agreement except registration of particulars of this Agreement at Companies House under the Companies Act 2006 and payment of associated fees which registrations, filings, taxes and fees have been or will be made and paid before, on or promptly after the date of the this Agreement.

#### **7.11 Ranking of Security**

Subject to the Legal Reservations and Perfection Requirements, the security conferred by this Agreement constitutes a first priority security interest of the type described, over the assets referred to, in this Agreement and those assets are not subject to any prior or *pari passu* Security.

#### **7.12 Ownership of Security Assets**

It is the sole legal and beneficial owner of the Security Assets free and clear of all security interests except as created by this Agreement. It has not sold or disposed of or granted any option to purchase, pre-emption rights or other similar rights in respect of any of its right, title and interest in the Security Assets (other than as permitted under the Finance Documents). None of the Security Assets are subject to any pre-emption rights or other restrictions upon disposal which would operate to restrict in any way their disposal by the Security Agent should it come to enforce its security contained in this Agreement. All of the Relevant Shares are validly issued and fully paid.

#### **7.13 PSC Register**

No "restrictions notice" (as defined in paragraph 1(2) of Schedule 1B of the Companies Act 2006) has been issued to, and remains in effect in respect of, it.

#### **7.14 Inter-company Loan**

- (a) Each Inter-company Loan Agreement to which it is a party is in full force and effect, enforceable in accordance with its terms and (so far as it is aware) no party to an Inter-company Loan Agreement to which it is a party is in breach of any term or condition of that agreement. There are no restrictions on the Chargor's ability to assign or charge the Assigned Loans, whether contained in an Inter-company Loan Agreement or in any other document.
- (b) As at the date of this Agreement, the Chargor confirms that it is not a party to any Inter-Company Loan Agreement other than the Inter-Company Loan Agreement(s) which will be irrevocably discharged in full on the first Utilisation Date.

#### **7.15 Pensions**

Neither it nor any of its Subsidiaries is or has at any time been (a) an employer (for the purposes of sections 38 to 51 of the Pensions Act 2004) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the Pension Schemes Act 1993) or (b) "connected" with or an "associate" (as those terms are used in sections 39 and 43 of the Pensions Act 2004) of such an employer.

#### **7.16 Repetition**

The representations set out in this Clause 7 are made and shall thereafter deemed to be repeated by the Chargor by reference to the facts and circumstances then subsisting on the date of this Agreement, the date of each Utilisation Request, each Utilisation Date and each Interest Payment Date.

### **8. UNDERTAKINGS**

The undertakings in this Clause 8 (*Undertakings*) remain in force for the duration of the Security Period.

#### **8.1 Authorisations**

The Chargor shall promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) supply certified copies to the Security Agent of,

any Authorisation required under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under this Agreement and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of this Agreement.

#### **8.2 Compliance with laws**

The Chargor shall comply in all respects with all laws to which it may be subject, if failure so to comply would materially impair its ability to perform its obligations under this Agreement.

#### **8.3 Disposals**

Except as permitted by the Finance Documents or where agreed in writing by the Security Agent, the Chargor shall not enter into a single transaction or a series of transactions (whether related or not) and whether voluntarily or involuntarily, to sell, lease, transfer or otherwise dispose of the whole or any part of the Security Assets.

### **9. ENFORCEMENT OF SECURITY**

#### **9.1 Enforcement**

On and at any time after the occurrence of:



- (a) an Event of Default (for as long as it is continuing); or
- (b) a request from the Chargor to the Security Agent that it exercise any of its powers under this Agreement,

the Security created by or pursuant to this Agreement is immediately enforceable and the Security Agent may, without notice to the Chargor or prior authorisation from any court, in its absolute discretion:

- (i) enforce all or any part of that Security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Security Assets (at the times, in the manner and on the terms it thinks fit (including whether for cash or non-cash consideration);
- (ii) secure and perfect its title to all or any part of the Assigned Loans (including transferring the same into the name of the Security Agent or its nominee(s)) or otherwise exercise in relation to the Assigned Loans all the rights of an absolute owner;
- (iii) collect, recover, compromise or release, and give good discharge for any moneys paid or payable to the Chargor under or in respect of the Assigned Loans, and enforce (in any way whatsoever including, without limitation, by way of instituting proceedings in the Chargor's name) any rights or claims arising out of or in respect of the Assigned Loans; and
- (iv) whether or not it has appointed a Receiver, exercise all or any of the rights, powers, authorities and discretions conferred by the Law of Property Act 1925 (as varied or extended by this Agreement) on mortgagees and by this Agreement on any Receiver or otherwise conferred by law on mortgagees or Receivers.

## **10. EXTENSION OF POWERS AND RIGHT OF APPROPRIATION**

### **10.1 Extension of powers**

The power of sale or other disposal conferred on the Security Agent and on any Receiver by this Agreement shall operate as a variation and extension of the statutory power of sale under Section 101 of the Law of Property Act 1925 and such power shall arise (and the Secured Liabilities shall be deemed due and payable for that purpose) on execution of this Agreement.

### **10.2 Restrictions**

The restrictions contained in Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Agreement or to the exercise by the Security Agent of its right to consolidate all or any of the Security created by or pursuant to this Agreement with any other Security in existence at any time or to its power of sale, which powers may be exercised by the Security Agent without notice to the Chargor on or at any time after this Agreement has become enforceable in accordance with Clause 9 (*Enforcement of Security*).

### **10.3 Right of appropriation**

To the extent that the provisions of the Financial Collateral Arrangements (No. 2) Regulations 2003 apply to a Security Asset, the Security Agent shall have the right to appropriate all or any part of that Security Asset in or towards the payment or discharge of the Secured Liabilities and may exercise such right to appropriate upon giving written notice to the Chargor. For this purpose, a commercially reasonable method of valuing a Security Asset shall be in the case of any investments, shares or securities, their market value determined by the Security Agent by reference to a public index, independent valuation or by such other process as the Security Agent may select.

### **10.4 Statutory powers**

The powers conferred by this Agreement on the Security Agent are in addition to and not in substitution for the powers conferred on mortgagees and mortgagees in possession under the Law of Property Act 1925, the Insolvency Act 1986 or otherwise by law and in the case of any conflict between the powers contained in any such Act and those conferred by this Agreement, the terms of this Agreement will prevail.

## **11. APPOINTMENT OF RECEIVER OR ADMINISTRATOR**

### **11.1 Appointment and removal**

After the Security created by or pursuant to this Agreement has become enforceable in accordance with Clause 9 (*Enforcement of Security*), the Security Agent may by deed or otherwise (acting through an authorised officer of the Security Agent) without prior notice to the Chargor:

- (i) appoint one or more persons to be a Receiver of the whole or any part of the Security Assets;
- (ii) appoint two or more Receivers of separate parts of the Security Assets;
- (iii) remove (so far as it is lawfully able) any Receiver so appointed; or
- (iv) appoint another person(s) as an additional or replacement Receiver(s).

### **11.2 Capacity of Receivers**

Each person appointed to be a Receiver pursuant to Clause 11.1 (*Appointment and removal*) shall be:

- (a) entitled to act individually or together with any other person appointed or substituted as Receiver;
- (b) for all purposes deemed to be the agent of the Chargor which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for the Security Agent; and

- (c) entitled to remuneration for his services at a rate to be fixed by the Security Agent from time to time (without being limited to the maximum rate specified by the Law of Property Act 1925).

### **11.3 Statutory powers of appointment**

The powers of appointment of a Receiver shall be in addition to all statutory and other powers of appointment of the Security Agent under the Law of Property Act 1925 (as extended by this Agreement) or otherwise and such powers shall remain exercisable from time to time by the Security Agent in respect of any part of the Security Assets.

## **12. POWERS OF RECEIVERS**

Every Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of the Chargor) have and be entitled to exercise, in relation to the Security Assets (and any assets which, when got in, would be Security Assets in respect of which he was appointed), and as varied and extended by the provisions of this Agreement (in the name of or on behalf of the Chargor or in his own name and, in each case, at the cost of the Chargor):

- (a) all the powers conferred by the Law of Property Act 1925 on mortgagors and on mortgagees in possession and on receivers appointed under that Act;
- (b) all 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 the powers and rights of an absolute owner and power to do or omit to do anything which the Chargor itself could do or omit to do; and
- (d) the power to do all things (including bringing or defending proceedings in the name or on behalf of the Chargor) which seem to the Receiver to be incidental or conducive to:
  - (i) any of the functions, powers, authorities or discretions conferred on or vested in him;
  - (ii) the exercise of any rights, powers and remedies of the Security Agent provided by or pursuant to this Agreement or by law (including realisation of all or any part of the assets in respect of which that Receiver was appointed); or
  - (iii) bringing to his hands any assets of the Chargor forming part of, or which when got in would be, Security Assets.

## **13. APPLICATION OF MONEYS**

All moneys received or recovered and any non-cash recoveries made or received by the Security Agent or any Receiver pursuant to this Agreement or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Law of Property Act 1925) be applied first in the payment or other discharge of the costs, charges and expenses incurred and payments made by the Receiver, the payment or other discharge of his remuneration and the

discharge of any liabilities incurred by the Receiver in, or incidental to, the exercise of any of his powers, and thereafter shall be applied by the Security Agent (notwithstanding any purported appropriation by the Chargor) in accordance with the terms of the Facility Agreement.

#### **14. PROTECTION OF PURCHASERS**

##### **14.1 Consideration**

The receipt of the Security Agent or any Receiver shall be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Security Assets or making any acquisition, the Security Agent or any Receiver may do so for such consideration (whether cash or non-cash), in such manner and on such terms as it thinks fit.

##### **14.2 Protection of purchasers**

No purchaser or other person dealing with the Security Agent or any Receiver shall be bound to inquire whether the right of the Security Agent or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the Security Agent or such Receiver in such dealings.

#### **15. POWER OF ATTORNEY**

##### **15.1 Appointment and powers**

The Chargor by way of security irrevocably appoints the Security Agent and any Receiver severally to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents and do all things which the attorney may consider to be required for:

- (a) carrying out any obligation imposed on the Chargor by this Agreement or any other agreement binding on the Chargor to which the Security Agent is party (including the execution and delivery of any deeds, charges, assignments or other security and any transfers of the Security Assets and perfecting and/or releasing the security created or intended to be created in respect of the Security Assets); and
- (b) enabling the Security Agent and any Receiver to exercise, or delegate the exercise of, any of the rights, powers and authorities conferred on them by or pursuant to this Agreement or by law (including, after this Agreement has become enforceable in accordance with Clause 9 (*Enforcement of Security*), the exercise of any right of a legal or beneficial owner of the Security Assets),

**provided** that such power may only be exercised where the Chargor is obliged to take such action and has failed to do so.

##### **15.2 Ratification**

The Chargor shall ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers.

## **16. EFFECTIVENESS OF SECURITY**

### **16.1 Continuing security**

- (a) The Security created by or pursuant to this Agreement shall remain in full force and effect as a continuing security for the Secured Liabilities unless and until discharged by the Security Agent in writing.
- (b) No part of the Security from time to time intended to be constituted by this Agreement will be considered satisfied or discharged by any intermediate payment, discharge or satisfaction of the whole or any part of the Secured Liabilities.

### **16.2 Cumulative rights**

The Security created by or pursuant to this Agreement shall be cumulative, in addition to and independent of every other Security which the Security Agent or any Secured Party may at any time hold for the Secured Liabilities or any other obligations or any rights, powers and remedies provided by law and shall operate as an independent security notwithstanding any receipt, release or discharge endorsed on or given in respect of or under any such other Security. No prior Security held by the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Parties over the whole or any part of the Security Assets shall merge into the Security constituted by this Agreement.

### **16.3 No prejudice**

The Security created by or pursuant to this Agreement shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to the Chargor or any other person by the Security Agent (whether in its capacity as trustee or otherwise) or any other Secured Parties or by any variation of the terms of the trust upon which the Security Agent holds the Security or by any other thing which might otherwise prejudice that Security.

### **16.4 Remedies and waivers**

No failure on the part of the Security Agent to exercise, nor any delay on its part in exercising, any right, power or remedy under this Agreement, shall operate as a waiver of that right, power or remedy or, power constitute an election to affirm this Agreement. No election to affirm this Agreement on the part of the Security Agent shall be effective unless it is in writing. The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any provided by law. No single or partial exercise of any right, power or remedy shall preclude any further or other exercise of that or any other right or remedy.

### **16.5 No liability**

None of the Security Agent, its nominee(s) nor any Receiver shall be liable:

- (a) to account as a mortgagee or mortgagee in possession; or

- (b) for any loss arising by reason of taking any action permitted by this Agreement or any neglect or default in connection with the Security Assets or taking possession of or realising all or any part of the Security Assets,

except in the case of gross negligence or wilful default upon its part.

#### **16.6 Partial invalidity**

If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the security intended to be created by or pursuant to this Agreement is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the security.

#### **16.7 Waiver of defences**

The obligations of, and the Security created by, the Chargor under this Agreement and the rights and remedies provided by this Agreement will not be affected by any act, omission, matter or thing which, but for this Clause 16.7, would reduce, release or prejudice any of its obligations under, or the Security created by, this Agreement and whether or not known to the Chargor or any Secured Party including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any Obligor;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instruments or any failure to realise the full value of any Security;
- (d) any incapacity or lack of powers, authority or legal personality of or dissolution or change in the members or status of, any Obligor or any other person;
- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise), restatement (in each case however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of a Finance Document or any other document or security or of the Secured Liabilities (including, without limitation, any change in the purpose of, any extension of, or any variation or increase in any facility or amount made available under any facility or the addition of any new facility under any Finance Document or other documents);
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or Security or of the Secured Liabilities; and

- (g) any insolvency or similar proceedings.

#### **16.8 Chargor intent**

Without prejudice to the generality of Clause 16.7 (*Waiver of defences*), the Chargor expressly confirms that it intends that the Security created under this Agreement and the rights and remedies arising thereunder, shall extend from time to time to any (however fundamental and of whatsoever nature, and whether or not more onerous) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following:

- (a) acquisitions of any nature;
- (b) increasing working capital;
- (c) enabling investor distributions to be made; carrying out restructurings;
- (d) refinancing existing facilities;
- (e) refinancing any other indebtedness;
- (f) making facilities available to new borrowers;
- (g) any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and
- (h) any fees, costs and/or expenses associated with any of the foregoing.

#### **16.9 Immediate recourse**

The Chargor waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or Security or claim payment from any other person before claiming from the Chargor under this Agreement. This waiver applies irrespective of any law or any provision of this Agreement to the contrary.

#### **16.10 Deferral of rights**

Until the end of the Security Period, the Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under this Agreement:

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from any guarantor of any Obligor's obligations under this Agreement;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any right of the Secured Parties under this Agreement or of any other guarantee or Security taken pursuant to, or in connection with, this Agreement by any Secured Party;

- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Obligor has given a guarantee, undertaking or indemnity under any of the Finance Documents;
- (e) to exercise any right of set-off against any Obligor; or
- (f) to claim or prove as a creditor of any Obligor in competition with any Secured Party.

If the Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to any Secured Party by any Obligor under or in connection with this Agreement to be repaid in full on trust for the Security Agent and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in accordance with Clause 13 (*Application of Moneys*).

#### 17. PRIOR SECURITY INTERESTS

- (a) In the event of any action, proceeding or step being taken to exercise any powers or remedies conferred by any prior ranking Security against the Security Assets or in case of exercise by the Security Agent or any Receiver of any power of sale under this Agreement the Security Agent may redeem such prior Security or procure the transfer thereof to itself.
- (b) The Security Agent may settle and agree the accounts of the prior Security and any accounts so settled and agreed will be conclusive and binding on the Chargor.
- (c) All principal moneys, interest, costs, charges and expenses of and incidental to any redemption or transfer will be paid by the Chargor to the Security Agent on demand together with accrued interest thereon as well as before judgment at the rate from time to time applicable to unpaid sums specified in the Facility Agreement from the time or respective times of the same having been paid or incurred until payment thereof (as well as after as before judgment).

#### 18. SUBSEQUENT SECURITY INTERESTS

If the Security Agent acting in its capacity as trustee or otherwise or any of the other Secured Parties at any time receives, or is deemed to have received, notice of any subsequent Security, assignment or transfer affecting all the Security Assets or any part of the Security Assets which is prohibited by the terms of the Finance Documents, all payments thereafter by or on behalf of the Chargor to the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Parties will (in the absence of any express contrary appropriation by the Chargor) be credited or treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Liabilities at the time that notice was received.

#### 19. SUSPENSE ACCOUNTS

All moneys received, recovered or realised by the Security Agent under this Agreement (including the proceeds of any conversion of currency) may in the discretion of the



Security Agent be credited to any interest bearing suspense or impersonal account(s) maintained with a bank, building society, financial institution or other person as it considers appropriate (including itself) for so long as it may think fit (the interest being credited to the relevant account) pending their application from time to time, at the Security Agent's discretion, in or towards the discharge of any of the Secured Liabilities and save as provided herein no party will be entitled to withdraw any amount at any time standing to the credit of any suspense or impersonal account referred to above.

## **20. RELEASE OF SECURITY**

### **20.1 Release of Security**

Upon the expiry of the Security Period, the Security Agent shall, at the request and cost of the Chargor, release and cancel the security constituted by this Agreement and procure the reassignment to the Chargor of the Assigned Loans assigned to the Security Agent pursuant to this Agreement, in each case without recourse to, or any representation or warranty by, the Security Agent or any of its nominees.

### **20.2 Clawback**

If the Security Agent considers that any amount paid or credited to any Secured Party in respect of the Secured Liabilities is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of the Chargor under this Agreement and the Security constituted by this Agreement will continue and that amount will not be considered to have been irrevocably paid or discharged.

## **21. DISCRETION AND DELEGATION**

### **21.1 Discretions**

Any liberty or power which may be exercised or any determination which may be made under this Agreement by the Security Agent or any Receiver may, subject to the terms and conditions of the Facility Agreement, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

### **21.2 Delegation**

- (a) Each of the Security Agent and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Agreement (including the power of attorney) on such terms and conditions as it shall see fit which delegation shall not preclude either the subsequent exercise, any subsequent delegation or any revocation of such power, authority or discretion by the Security Agent or the Receiver itself.
- (b) Neither the Security Agent nor any Receiver will be liable to the Chargor for any loss or damage arising from any act, default, omission or misconduct of any such delegate and references in this Agreement to the Security Agent or to any Receiver will where the context so admits include references to any delegates so appointed.

**22. LIMITED RECOURSE**

- (a) The Security Agent agrees that its rights of enforcement under this Agreement in respect of the Secured Liabilities against the Chargor shall be limited to the rights of enforcement or recovery against the Security Assets.
- (b) The Chargor's obligations under this Agreement shall be satisfied only from the proceeds of the enforcement of the Security Assets, notwithstanding any other provision hereof, and the Secured Parties shall have no remedy against the Chargor with respect to those obligations other than the enforcement of the Security constituted by this Agreement.

**23. COSTS AND EXPENSES**

The Chargor shall within 10 Business Days of demand pay the Security Agent the amount of all costs and expenses (including, without limitation, legal fees subject to any agreed fee estimates, caps or other fee arrangements) reasonably incurred by the Security Agent (or any Receiver or Delegate) in connection with the negotiation, preparation, printing, execution and perfection of:

- (a) this Agreement and any other documents referred to in this Agreement or in a Security Document to which it is a party; or
- (b) any other Finance Documents to which it is a party executed after the date of this Agreement.

**24. INDEMNITY**

The Chargor shall, within 5 Business Days of demand, indemnify the Security Agent and any Receiver against any cost, loss, liability or expense incurred by it or them as a result of:

- (a) any breach by the Chargor of this Agreement; or
- (b) the exercise or purported exercise of any of the rights, powers, discretions, authorities and remedies conferred on it or them by this Agreement or otherwise relating to the Security Assets.

**25. AMENDMENTS**

No amendment may be made to this Agreement (whether in writing or otherwise) without the prior written consent of the parties to this Agreement.

**26. TRANSFERS**

The Chargor may not assign or otherwise transfer any of its rights and obligations under this Agreement.

## **27. SUCCESSORS**

### **27.1 Security Agent successors**

This Agreement shall remain in effect despite any amalgamation or merger (however effected) relating to the Security Agent, and references to the Security Agent shall include any transferee, assignee or successor in title of the Security Agent and any person who, under the laws of its jurisdiction of incorporation or domicile, has assumed the rights and obligations of the Security Agent under this Agreement or to which, under such laws, those rights and obligations have been transferred.

### **27.2 Disclosure**

The Security Agent shall be entitled to disclose such information concerning the Chargor or any other person and this Agreement as the Security Agent considers appropriate to any actual or proposed direct or indirect successor or to any person to whom information may be required to be disclosed by applicable law.

## **28. NOTICES**

### **28.1 Communications in writing**

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

### **28.2 Addresses**

The address (and the department or officer, if any, for whose attention the communication is to be made) of each party to this Agreement for any communication or document to be made or delivered under or in connection with this Agreement is that identified with its name in the execution pages to this Agreement, or any substitute address or department or officer as the Chargor may notify to the Security Agent (or the Security Agent may notify to the Chargor, if a change is made by the Security Agent) by not less than five Business Days' notice.

### **28.3 Delivery**

- (a) Any communication or document made or delivered by one person to another under or in connection with this Agreement will only be effective (subject to paragraph (b) below) when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address and, if a particular department or officer is specified as part of its address details provided under Clause 28.2 (*Addresses*), if addressed to that department or officer.
- (b) Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is expressly marked for the attention of the department or officer identified with the Security Agent's signature below (or any substitute department or officer as the Security Agent shall specify for this purpose).

- (c) Any communication or document which becomes effective, in accordance with paragraphs (a) and (b) above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

**29. GOVERNING LAW**

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

**30. JURISDICTION**

**30.1 English courts**

The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Agreement) (a "Dispute").

**30.2 Convenient Forum**

The Chargor agrees that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly the Chargor will not argue to the contrary.

**30.3 Exclusive jurisdiction**

Notwithstanding Clause 30.1, the Security Agent may take proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

**THIS AGREEMENT** has been executed as, and is intended to take effect as, a deed by the Chargor and has been signed by the Security Agent on the date written on the first page of this Agreement.

**SCHEDULE 1**  
**FORM OF NOTICE OF ASSIGNMENT OF ASSIGNED LOANS**

To: [   ]

Date: [   ]

1. We hereby give you notice that we have created security by way of equitable assignment to Wells Fargo Bank, N.A., London Branch (the "Security Agent") pursuant to an assignment entered into by us in favour of the Security Agent dated [   ] all our right, title and interest in and to all moneys payable by you to us under [*details of relevant inter-company loan agreement*] (the "Inter-company Loan Agreement").
2. We shall continue to be solely responsible for the performance of our obligations under or in connection with the Inter-company Loan Agreement.
3. With effect from the date of your receipt of this notice:
  - (a) all payments by you to us under or arising from the Inter-company Loan Agreement (the "Payments") shall be paid to, or at the direction of the Security Agent, as it may specify in writing from time to time;
  - (b) all remedies provided for in the Inter-company Loan Agreement or available at law or in equity shall be exercisable by, or at the direction of, the Security Agent; and
  - (c) all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Payments shall belong to the Security Agent.
4. You are authorised and instructed, without requiring further approval from us, to provide the Security Agent with such information relating to the Inter-company Loan Agreement as it may from time to time request and to send copies of all notices issued by you under the Inter-company Loan Agreement to the Security Agent as well as to us.
5. These instructions may not be revoked, nor may the terms of the Inter-company Loan Agreement be amended, varied, waived or terminated, without the prior written consent of the Security Agent.
6. Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning it to the Security Agent at [   ] marked for the attention of [   ].
7. This notice and any non-contractual obligations arising out of or in connection with it are governed by English law.

For and on behalf of  
**MODA LIVING LIMITED**

We confirm our agreement to the terms of this notice and instruct you, in accordance with paragraph 3 of this notice, and with effect from the date of your receipt of this notice, that:

- (a) the Payments shall be made to Moda Living Limited in accordance with the terms of [*describe relevant Subordination Agreement*]; and
- (b) all remedies provided for in the Inter-company Loan Agreement (or otherwise available) in respect of the Payments shall be exercisable by Moda Living Limited,

in each case until you receive written notification from us to the contrary.

For and on behalf of

**WELLS FARGO BANK, N.A., LONDON BRANCH**

By: .....

Dated: .....

### Acknowledgement

On copy only:

To: **WELLS FARGO BANK, N.A., LONDON BRANCH**

We acknowledge receipt of a notice from Moda Living Limited (the "**Chargor**") in the terms set out above and confirm that we have not received notice of any previous assignments or charges of or over any of the rights, interests and benefits in and to the Payments and that we will comply with the terms of the notice received from the Chargor.

We further confirm that:

- (a) we have not claimed or exercised, have no outstanding right to claim or exercise, and will not exercise, any right of set-off, counterclaim or other right relating to the Payments;
- (b) no amendment, waiver or release of any rights, interests and benefits in and to the Payments shall be effective without your prior written consent; and
- (c) no breach or default on the part of the Chargor of any of the terms of the Inter-company Loan Agreement shall be deemed to have occurred unless we have given notice of such breach to the Security Agent specifying how to make good such breach.

We acknowledge receipt of instructions from you in connection with the assignment of the Inter-company Loan Agreement and confirm that we shall act in accordance with them until we receive written notification from you to the contrary.

For and on behalf of [*relevant obligor*]

By: .....

Dated: .....

**SCHEDULE 2  
RELEVANT CONTRACTS**

**PART A  
NOTICE OF SECURITY TO CONTRACT COUNTERPARTY**

To: [Contract counterparty]

Date: [ ]

We give you notice that, by a Security Agreement dated [ ] (the "**Agreement**"), we have created security by way of first fixed charge in favour of Wells Fargo Bank, N.A., London Branch (the "**Security Agent**") as trustee for the Secured Parties over all our rights, title and interest in, to and under the [*describe contract*] dated [ ] between [ ] relating to [ ] including all monies payable thereunder (the "**Contract**").

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

Please note that with effect from the date of your receipt of this notice, the Security Agent directs that until such time as you receive written notification from the Security Agent to the contrary:

- (a) all payments by you to us arising under the Contract shall be paid to us; and
- (b) all remedies provided for in the Contract (or otherwise available) and all rights to compel performance of the Contract shall be exercisable by us.

You are authorised and instructed to disclose to the Security Agent, without further approval from us, such information regarding the Contract as the Security Agent may from time to time request and to send copies of all notices issued by you under the Contract to the Security Agent as well as to us.

These instructions may not be revoked, nor may the terms of the Contract be amended, varied, waived or terminated, without the prior written consent of the Security Agent.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales.

Would you please confirm your agreement to the above by sending the enclosed acknowledgement to the Security Agent with a copy to us.

.....

For and on behalf of

**MODA LIVING LIMITED**



Countersigned:

**Wells Fargo Bank, N.A., London Branch as Security Agent**

**PART B**  
**ACKNOWLEDGEMENT: CONTRACT COUNTERPARTY**

To: **WELLS FARGO BANK, N.A., LONDON BRANCH** (as Security Agent)

Date: [ ]

We confirm receipt of a notice dated [ ] of security created by Moda Living Limited (the "**Chargor**") in favour of Wells Fargo Bank, N.A., London Branch (the "**Security Agent**") over all the Chargor's rights, title and interest in and to the Contract (as specified in that notice).

We confirm that:

- (a) we will comply with the terms of such notice; and
- (b) we have not received notice of any prior security over, or the interest of any third party in, the Contract (other than that in favour of the Security Agent).

We further confirm that:

- 2. no amendment, waiver or release of any such rights, title or interests will be effective without the prior written consent of the Security Agent;
- 3. no termination of any such rights, title or interests will be effective unless we have given the Security Agent 21 days' written notice of the proposed termination and specifying the action necessary to avoid such termination;
- 4. the Chargor will remain liable to perform all its obligations under the Contract and the Security Agent is under no obligation of any kind whatsoever under the Contract nor under any liability whatsoever in the event of any failure by the Chargor to perform its obligations under the Contract; and
- 5. no breach or default on the part of the Chargor of any of the terms of the Contract will be deemed to have occurred unless we have given notice of such breach to the Security Agent specifying how to make good such breach.

We have not claimed or exercised, and waive all future rights to claim or exercise, any rights of set-off, lien, counterclaim or other similar right now or in the future relating to amounts owed to us by the Chargor.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales.

.....  
For and on behalf of

[Contract counterparty]

cc. Moda Living Limited

**EXECUTION PAGE**

**Chargor**

**EXECUTED AS A DEED**  
**by MODA LIVING LIMITED**

acting by a director  
in the presence of:

)  
)  
)  
)  
)

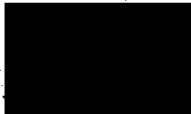
..........

Signature of director

.....*Paul Andrew Bullers*.....

Name of director

in the presence of

..........

Signature of witness

.....*JOAN E WALSH*.....

Name of witness

.....*10 SHELLY DRIVE*.....

Address of witness

.....*KNOTT LANE WF11 8PL*.....

**Notice details:**

Address: Castlegarth Grange, Scott Lane, Wetherby, West Yorkshire, United Kingdom, LS22 6LH

Email: paul.bullers@caddickgroup.co.uk

**Security Agent**

Signed by  
**WELLS FARGO BANK, N.A.,**  
**LONDON BRANCH**  
for and on its behalf  
by its duly authorised  
officer

)  
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**Duncan Parvin**

**Notice details:**

**Address:** 33 King William St, London EC4R 9AT

**Attention:** Relationship Management Commercial Real Estate