



Registration of a Charge

Company name: **COTTON GROVE LIMITED**

Company number: **09296558**



X8Z3BKWR

Received for Electronic Filing: **18/02/2020**

Details of Charge

Date of creation: **14/02/2020**

Charge code: **0929 6558 0008**

Persons entitled: **D&B LENDING DESIGNATED ACTIVITY COMPANY**

Brief description: **CONNECT HOUSE AND LAND ADJOINING CONNECT HOUSE, 21 WILLOW LANE, MITCHAM, CR4 4NA.**

Contains floating charge(s) (floating charge covers all the property or undertaking of the company).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **PEMBERY**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9296558

Charge code: 0929 6558 0008

The Registrar of Companies for England and Wales hereby certifies that a charge dated 14th February 2020 and created by COTTON GROVE LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 18th February 2020 .

Given at Companies House, Cardiff on 19th 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

THIS DEED is made on

14th February

2020

BETWEEN:

- (1) **COTTON GROVE LIMITED** (registered in England and Wales under registered number 09296558) whose registered office is at 19-20 Bourne Court, Southend Road, Woodford Green Essex IG8 8HG (the "**Chargor**"); and
- (2) **D&B LENDING DESIGNATED ACTIVITY COMPANY** (the "**Lender**").

NOW THIS DEED WITNESSES as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

"Agreement" means the agreement constituted by the acceptance by the Borrower of the terms and conditions of the Facility Letter and the Standard Terms incorporated therein, as the same may be amended, supplemented, novated, extended and/or restated from time to time;

"Borrower" means **PERMITTED DEVELOPMENTS INVESTMENTS NO 2 LTD** (registered in England and Wales under registered number 10481727) whose registered office is at 19-20 Bourne Court, Southend Road, Woodford Green Essex IG8 8HG;

"Charged Assets" means the Property and all other assets of the Chargor which from time to time are, or are expressed to be, the subject of any Security created or to be created by this Deed;

"Conditions Precedent" has the same meaning as in the Agreement;

"Delegate" means any delegate, sub-delegate, agent, attorney or co-trustee appointed by the Lender or by any Receiver under clause 11.2 (Delegation) of this Deed;

"Development" has the same meaning as in the Agreement;

"Documents" has the same meaning as in the Agreement;

"Event of Default" has the same meaning as in the Agreement;

"Facility Letter" means the facility letter dated on or about the date thereof between the Borrower as borrower and the Lender as lender, and any other facility letter entered into at any time between the Borrower as borrower and the Lender as lender which replaces or supplements such facility letter or is in addition to it;

"Finance Documents" has the same meaning as in the Agreement;

"Fixed Charged Assets" means such Charged Assets that are the subject, or are purported to be the subject of a fixed charge, mortgage or assignment under this Deed;

"Headlease" means a lease under which the Chargor holds title to all or any part of a Property;

"Insurance Policies" means all present and future policies and contracts of insurance entered

into by the Chargor or in which the Chargor is noted as a beneficiary or (to the extent of its interest therein) has an interest (other than any policy of third party liability insurance or employer's insurance);

"Land" has the same meaning as in the Agreement;

"Mortgaged Land" means the Land from time to time mortgaged or charged by way of equitable mortgage by the Chargor under this Deed and includes any part thereof;

"Notice Details" means the address, email address and facsimile number of the Lender set out in paragraph 1.20 of the Facility Letter, and the address, email address and facsimile number of the Chargor set out in clause 14.1 of this Deed or such replacement address, email address and facsimile number as the Chargor or the Lender may notify the other by no less than 5 Business Days' notice;

"Obligors" means the Borrower and the Chargor and **"Obligor"** means either of them;

"Permitted Security" means legal charges dated 7 December 2017 granted in favour of Lloyds Bank plc;

"Property" means

(a) all that freehold property known as Connect House and land adjoining Connect House, 21 Willow Lane Mitcham CR4 4NA and registered at HM Land Registry under title numbers TGL117107, TGL96140 and TGL100496;

"Rental Income" means all amounts payable at any time to or for the account of the Chargor in connection with the letting, licence or grant of other rights of use or occupation of any part of the Property including all amounts reserved as rent together with licence fees and equivalent amounts, all amounts received from any deposit, insurance policy or any guarantor or surety and any amounts payable in respect of any breach of a lease or licence, in respect of repairs or dilapidations or in respect of any grant or surrender of any lease, licence or other right;

"Secured Liabilities" means all and any moneys, obligations and liabilities which may now or at any time in the future be due, owing or incurred by any Obligor to the Lender under or in respect of the Finance Documents (in whatever currency denominated, whether actual or contingent, whether alone, severally or jointly with any other person and whether as principal, guarantor, surety or in any other capacity whatsoever) including all interest, commissions, fees and all legal and other costs, charges and expenses which the Lender may charge any Obligor or incur under any Finance Document;

"Security" has the same meaning as in the Agreement;

"Security Period" means the period beginning on the date of this Deed and continuing until the Lender is satisfied that all the Secured Liabilities have been irrevocably and unconditionally paid and discharged in full and no further Secured Liabilities are capable of being incurred or arising;

"Specifications" has the same meaning as in the Agreement;

"Standard Terms" means the standard terms of the Lender as the same are incorporated into the Facility Letter.

"Subsidiary" shall have the meaning ascribed to it in Section 1159 of the Companies Act 2006.

"Valuation" means a valuation of the Property, supplied to the Lender in accordance with clause 5.7 below.

1.2 Interpretation

In this Deed

the provisions of clause 1.2 of the Standard Terms apply to this Deed as though they were set out in full in this Deed, with necessary changes and with each reference to **"this Agreement"** being replaced with a reference to **"this Deed"**.

1.3 Incorporation of terms

The terms and conditions set out in the Standard Terms and the terms of the other Finance Documents and any side letters between any parties in relation to any Finance Documents are incorporated in this Deed to the extent required to ensure that any purported disposition of any Charged Asset contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.4 Full title guarantee

In this Deed any grant of rights with full title guarantee shall be deemed to contain all of the covenants and warranties implied in respect of any conveyance with full title guarantee under section 1(2) of the Law of Property (Miscellaneous Provisions) Act 1994.

1.5 Conflict of terms

In the event of any conflict between the terms of the Agreement and the terms of this Deed, the terms of the Agreement shall prevail.

2. COVENANT TO PAY

2.1 Covenant

The Chargor irrevocably and unconditionally:

- (a) covenants with the Lender to pay to the Lender or discharge all the Secured Liabilities when the same shall become due under and in the manner provided for in the Finance Documents as if it were the principal obligor and not merely a surety;
- (b) guarantees to the Lender punctual performance by the Borrower of its obligations and liabilities under or in connection with the Finance Documents; and
- (c) agrees with the Lender, as an independent and primary obligation, to indemnify the Lender immediately on demand against any cost, loss or liability suffered by the Lender if any obligation or liability guaranteed by it is or becomes, for any reason, unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which the Lender would otherwise have been entitled to recover.

2.2 Demands

The making of one demand under this Deed shall not preclude the Lender from making any further demands.

2.3 Interest

The Chargor shall pay to the Lender interest on any amount not paid in accordance with this Deed when due from the due date to the date of payment or discharge (as well after as before judgment and notwithstanding the liquidation or administration of the Chargor or any arrangement or composition with any creditors by the Chargor) in accordance with clause 4.5 (*Interest*) of the Standard Terms in relation to overdue sums.

2.4 Unlawfulness

The Security created under and the covenants contained in this Deed shall not extend to or include any liability which would, if it were so included, cause such Security or covenant to be unlawful or prohibited by any applicable law.

3. CHARGE

3.1 Fixed and floating charges and assignments

As continuing security for the payment and discharge of all Secured Liabilities, the Chargor, in favour of the Lender:

- (a) charges by way of equitable mortgage all Land located at the Property; and
- (b) charges by way of fixed charge:
 - (i) (to the extent it is not the subject of an effective equitable mortgage under paragraph (a) above) all Land now or in the future belonging to it located at the Property, whether or not title to that Land is registered at the Land Registry;
 - (ii) all buildings and other structures on each Property and items fixed to and forming part of each Property;
 - (iii) all plant and machinery now or in the future owned by it and located on or used in connection with the Property;
 - (iv) all rights, easements, privileges, covenants of title, claims, warranties, remedies, indemnities and other interests now or in the future belonging to it in connection with the Property;
 - (v) any goodwill relating to the Property or the business or undertaking conducted at the Property;
 - (vi) all licences, consents and authorisations (statutory or otherwise) held in connection with the Property or its use of any Fixed Charged Asset and all rights in connection with them;
 - (vii) all its rights to recover any VAT on any supplies made to it relating to any other Fixed Charged Asset and any sums so received;
 - (viii) all its rights, title and interests relating to the Property or any Fixed Charge Assets not effectively assigned under paragraph (c) below;

(c) assigns absolutely all its rights, title and interest from time to time under and in respect of:

(i) the Rental Income;

(ii) the Relevant Documents;

(iii) any other agreements entered into in connection with the Property now or in the future belonging to it or any development thereon, including all rights and claims against any tenants, sub-tenants, licencees or other occupiers of the Property from time to time and any contractors, builders, developers and professional advisors engaged from time to time, and all guarantors and sureties for the obligations of any person mentioned in this paragraph (c)(iii); and

(iv) all present and future Insurance Policies and any related sums or payments paid or payable, claims and return of premium,

provided that (without prejudice to paragraph (b)(viii) above) to the extent that any rights, titles or interests assigned under paragraph (c)(ii) above are not assignable, such assignment will operate as an assignment of all proceeds received by the Chargor in connection therewith; and

(d) save to the extent the Chargor is a natural person, charges by way of floating charge its undertaking and all its assets and income not effectively mortgaged, charged by way of fixed charge or assigned under paragraph (a), (b) or (c) above both present and future (including its stock in trade).

3.2 General

(a) The Security created by this Deed is given with full title guarantee.

(b) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies so that the floating charge created under Clause 3.1(d) (*Fixed and floating charges and assignments*) is a qualifying floating charge for the purposes of that paragraph 14.

3.3 Negative pledge

Except as expressly permitted by the terms of this Deed, the Chargor shall not create or permit to subsist or arise any Security over any Fixed Charged Asset.

3.4 Restrictions on dealings

Except as expressly permitted by the terms of this Deed, the Chargor shall not sell, transfer, assign, licence, lease, hire out, grant, lend, discount, factor, exchange, compound, set-off, grant any interest in, part with possession or ownership of, grant time or indulgence in respect of or otherwise dispose of any Fixed Charged Asset or the equity of redemption therein or permit any person to do any such thing.

3.5 Conversion of floating charge

Subject to Clause 3.7 (*Moratorium*), the Lender may from time to time by notice in writing to the Chargor:

- (a) following the occurrence of an Event of Default; or
- (b) if the Lender considers any Charged Asset to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or otherwise to be in jeopardy; or
- (c) if the Lender considers it necessary in order to protect or preserve the Security created under this Deed or the priority of that Security,

convert the floating charge created by Clause 3.1(d) (*Fixed and floating charges and assignments*) into a fixed charge with immediate effect. Such conversion shall take effect in respect of each Charged Asset specified in such notice and if no Charged Assets are specified it shall take effect in respect of all Charged Assets.

3.6 Automatic Conversion

Notwithstanding anything to the contrary expressed or implied in this Deed but subject to Clause 3.7 (*Moratorium*), if:

- (a) any person levies or attempts to levy any distress, execution, sequestration, expropriation, attachment or other process against any Charged Asset;
- (b) a resolution is passed or a petition is presented for the winding up, dissolution, administration or re-organisation of the Chargor;
- (c) a receiver, an administrative receiver or a receiver and manager is appointed over any Charged Asset or any person entitled to do so gives notice of its intention to appoint a receiver, an administrative receiver or a receiver and manager over any Charged Asset or files such a notice with the court;
- (d) an Administrator is appointed (or the Lender receives notice of an intention to appoint an Administrator pursuant to paragraphs 15 or 26 of Schedule B1 to the Insolvency Act 1986) in respect of the Chargor; or
- (e) the Chargor disposes of any Fixed Charged Assets,

in each case other than as expressly permitted by the terms of the Agreement or with the consent of the Lender, the floating charge created by Clause 3.1(d) (*Fixed and floating charges and assignments*) shall with immediate effect and without notice automatically convert into a fixed charge over the relevant Charged Assets (or, in the case of paragraphs (b), (c) or (d) above, over all of the Charged Assets).

3.7 Moratorium

The floating charge created by Clause 3.1(d) (*Fixed and floating charges and assignments*) shall not be converted into a fixed charge solely by reason of the obtaining of a moratorium or anything done with a view to obtaining a moratorium under the Insolvency Act 2000.

3.8 Deposit of documents

- (a) The Chargor shall (i) on the date of this Deed or, if later, upon becoming entitled to them or (ii) upon the Lender ceasing to hold them for any reason, deposit (or procure the

deposit) with the Lender (and during the Security Period the Lender shall be entitled to hold) all original deeds and documents of title in the Chargor's control or possession relating to any Charged Asset.

- (b) In respect of any Mortgaged Land if any such deeds or documents are at any relevant time held at the Land Registry, the Chargor shall promptly following a demand by the Lender provide or procure the provision to the Lender of such undertakings and letters addressed to the Land Registry as the Lender may require.

3.9 Release

Subject to Clause 13.2 (*Reinstatement and avoidance of payments*), the Lender shall, after the expiry of the Security Period, at the cost and request of the Chargor, release the Charged Assets from the Security constituted by this Deed and reassign or retransfer the Charged Assets to the Chargor.

4. REPRESENTATIONS AND WARRANTIES

- 4.1 The Chargor makes the representations and warranties set out in Schedule 5 to the Lender on the date of this Deed.
- 4.2 Such representations and warranties contained in Schedule 5 shall survive the date of this Deed and shall, other than paragraph 12(c) of Schedule 5 be deemed repeated on each date during the Security Period with reference to the facts and circumstances then existing.

5. COVENANTS

5.1 Duration

The covenants in this Clause 5 remain in force during the Security Period.

5.2 Registered Land

- (a) The Chargor consents to a unilateral notice in the following terms being entered on the register of title of any Mortgaged Land that is now or in the future registered at the Land Registry:

"Unilateral notice in respect to an equitable charge dated [] granted in favour of D&B Lending Designated Activity Company"

- (b) The Chargor hereby certifies that the Security created by this Deed does not contravene any provision of its memorandum or articles of association.

5.3 Notices of charge or assignment

The Chargor shall:

- (a) promptly serve such notices of the Lender's interest in the Charged Assets on the counterparty to the Development Documents or such persons as the Lender may require from time to time in the applicable form set out in Schedules hereto; and

- (b) use its best endeavours to procure that each notice served under this Clause 5.3 is acknowledged by the recipient thereof substantially in the form set out in Part 2 of the relevant Schedule to this Deed or otherwise to the satisfaction of the Lender.

5.4 Receivables

The Chargor shall collect and realise in a prudent manner all moneys to which the Chargor may from time to time be entitled in respect of the Charged Assets. Until such payment the Chargor shall hold all such moneys on trust for the Lender.

5.5 Payment obligations

The Chargor shall punctually pay, and indemnify each Secured Party against, all existing and future rent, rates, taxes, duties, charges, assessments, impositions and outgoings now or at any time payable in respect of any Charged Asset or by any owner or occupier of any Charged Asset.

5.6 Disposal of Assets

The Chargor shall not sell, transfer, lease (or where a lease is already in existence, consent to the lease being assigned) or otherwise dispose of all or any part of the Property or any assets of the Chargor except with the prior written consent of the Lender provided that disposals of assets which are not expressed to be subject to any fixed charge, mortgage or assignment given to the Lender (excluding, all or any part of the Property) may be made in the ordinary course of business of the Chargor prior to the occurrence of an Event of Default.

5.7 Valuations

The Chargor authorises the Lender from time to time to obtain an up to date Valuation of the Gross Development Value of the Property from the Valuer and the Chargor shall meet the cost of any Valuation so obtained by the Lender. The Lender shall not charge the Chargor for the cost of more than two such Valuations in any calendar year unless an Event of Default has occurred or is shown to be existing as a result of such Valuation.

5.8 Environment

The Chargor shall:-

- (a) comply with any applicable environmental laws, regulations or practices and comply with and renew all licences, permits, consents or other authorisations held in respect of the Property;
- (b) conduct its business in a manner which cannot form the basis of an environmental claim against it; and
- (c) promptly notify the Lender of any breach of any environmental law, regulation or practice or any licence, permit, consent or other authorisation held and remedy at the Borrower's expense any such breach by the use of best available techniques not entailing excessive cost.

5.9 Insurances

The Chargor shall effect and maintain such insurance (including the Required Insurances and if required by the Lender terrorism cover and third party liability policies) over its assets (including the Property) and business in such manner and to such extent as the Lender may require and

shall provide evidence of any new policies or renewals of existing policies to the Lender within 15 days of receipt.

5.10 Authorisations and Compliance

The Chargor shall and any person who holds a licence in connection with the Chargor's business shall:-

- (a) comply with and retain all licences, permits, consents or other authorisations held and comply with any applicable laws, regulations or other legal requirements; and
- (b) promptly notify the Lender of any breach of (i) any law, regulation or other legal requirement and/or (ii) any licence, permit, consent or other authorisation held, and immediately remedy such breach.

6. ENFORCEMENT OF SECURITY

6.1 Enforcement

The Security created by this Deed shall become immediately enforceable and the statutory power of sale and all other statutory powers conferred on mortgagees by section 101 of the Act (as varied and extended by this Deed) shall be exercisable:

- (a) upon the occurrence of an Event of Default;
- (b) upon a breach of any representation or warranty of the Chargor set out in Schedule 5 when made or deemed to be repeated;
- (c) upon the Chargor failing to comply with any provision of this Deed and, where capable of remedy, such failure is not remedied within 7 Business Days of the Lender giving notice to the Chargor requiring the Chargor to remedy the same; or
- (d) upon request by the Chargor,

and at any time thereafter.

6.2 General

- (a) For the purposes of all powers implied or conferred by statute (including the power of sale and other powers conferred by section 101 of the Act (as varied and extended by this Deed)) and all other powers conferred on a mortgagee by law, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.
- (b) Sections 93 (restricting the right of consolidation) and 103 (restricting the power of sale) and the restrictions contained in section 109(1) (restricting the appointment of a receiver) of the Act shall not apply to this Deed.
- (c) After the Security created under this Deed has become enforceable, the Lender and any Receiver may enforce all or any part of the Security created under this Deed in any manner it sees fit.
- (d) Notwithstanding anything to the contrary in this Deed, neither the Lender nor any Receiver nor any Delegate will be liable to the Chargor (either by reason of taking

possession of the Charged Assets in accordance with the provisions of this Deed or for any other reason and whether as mortgagee in possession or otherwise) or responsible for:

- (i) any costs, losses, liabilities or expenses relating to the realisation of any Charged Asset or arising from the manner in which the Lender or any Receiver or any Delegate enforces or refrains from enforcing the Security created under this Deed; or
- (ii) any act, default, omission or misconduct for which a mortgagee in possession might be liable; or
- (iii) taking any action to collect any money or enforce any rights comprised in the Charged Assets whether or not it is in possession of the relevant Charged Asset.

6.3 Prior Security

The Lender may at any time after the Security created under this Deed has become enforceable redeem (or procure the transfer to itself of the benefit of) any prior Security over any Charged Asset and may settle and pass the accounts of the holder of the prior Security. Any accounts so settled and passed shall (save in respect of any manifest error) be conclusive and binding on the Chargor. All principal moneys, interest, costs, charges and expenses of and incidental to the redemption and transfer shall be Secured Liabilities and shall be payable by the Chargor to the Lender on demand.

6.4 Leases

If the Security created under this Deed becomes enforceable, the Lender shall be entitled:

- (a) to grant or agree to grant;
- (b) to vary or reduce any sum payable under; and
- (c) to surrender or accept surrenders of,

leases and grant options without restriction (and without the need to comply with sections 99 and 100 of the Act) on such terms and conditions as the Lender shall think fit.

6.5 Right of appropriation

- (a) To the extent that any Charged Asset constitutes "financial collateral" and this Deed and the Security created and the obligations of the Chargor under it constitute a "security financial collateral arrangement" (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No 3226) (the "**Regulations**")) the Lender shall have the right, at any time after the Security created under this Deed has become enforceable, to appropriate with immediate effect by notice in writing to the Chargor all or any part of such financial collateral in or towards payment and/or discharge of the Secured Liabilities in such order as the Lender in its absolute discretion may determine.
- (b) The Parties agree that the value of any financial collateral appropriated under paragraph (a) shall be in the case of cash, the amount standing to the credit of the relevant account,

together with any accrued but unposted interest, at the time the right of appropriation is exercised;

The Parties agree that the methods of valuation for financial collateral set out in this Deed constitute commercially reasonable methods of valuation for the purposes of the Regulations.

- (c) The Lender shall account to the Chargor for any amount by which the value of any appropriated Charged Assets exceeds the Secured Liabilities and the Chargor shall remain liable to the Lender for any amount by which the value of any appropriated Charged Assets is less than the Secured Liabilities.

7. RECEIVERS AND ADMINISTRATORS

7.1 Appointment

- (a) At any time after the Security created by this Deed becomes enforceable the Lender may without prior notice to the Chargor from time to time by deed or otherwise in writing signed by any officer or manager of the Lender or any person authorised for this purpose by the Lender appoint:
 - (i) any one or more qualified persons (whether or not an employee of the Lender) to be a Receiver of any Charged Asset (and to the extent permitted by law none of the restrictions imposed by the Act in relation to the appointment of such persons or to the giving of notice or otherwise shall apply); or
 - (ii) when permitted by law, any one or more qualified persons to be an Administrator of the Chargor.
- (b) An appointment over part only of the Charged Assets shall not preclude the Lender from making any subsequent appointment of a Receiver over any other Charged Asset.
- (c) If at any time and by virtue of any appointment under this Clause 7.1 any two or more persons shall hold office as a Receiver, each such person shall (unless otherwise provided in any relevant deed or other instrument of appointment) be jointly and severally entitled to exercise all the powers and discretions conferred by this Deed on a Receiver.
- (d) An appointment of an Administrator under this Deed may be made by any method provided under the Insolvency Act 1986.
- (e) In this Clause 7.1, "qualified person" means a person who, under the Insolvency Act 1986, is qualified to act as an Administrator or Receiver, as appropriate, of the Chargor.

7.2 Removal

The Lender may (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in its place.

7.3 Remuneration

Subject to section 36 of the Insolvency Act 1986, the Lender may either at the time of appointment of any Receiver or at any time thereafter and from time to time fix the remuneration of such Receiver. The maximum rate specified in section 109(6) of the Act will not apply.

7.4 Receiver as agent

- (a) Any Receiver appointed under this Deed shall so far as the law permits be the agent of the Chargor for all purposes.
- (b) The Chargor shall be solely responsible for any Receiver's acts, omissions, defaults, losses, liabilities, remuneration, costs, charges and expenses and liable on any contracts or engagements made or entered into by any Receiver, failing which he shall act as principal and shall not be or become agent for the Lender.
- (c) The Lender will not incur any liability (either to the Chargor or to any other person) by reason of the appointment of any Receiver.

7.5 Exercise of Receiver's powers by Lender

To the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver in relation to any Charged Asset may (after the Security created by this Deed becomes enforceable) be exercised by the Lender without appointing a Receiver and notwithstanding the appointment of a Receiver and irrespective of whether the Lender has taken possession of any Charged Asset.

7.6 Powers of Receiver

Any Receiver appointed under this Deed shall have power, in addition to any powers conferred upon it by law and in each case as he may think fit:

- (a) to enter upon, take possession of, appropriate, collect, require payment to it under, and get in any Charged Asset and for that purpose to take any proceedings in the name of the Chargor or otherwise;
- (b) to manage, carry on or concur in carrying on all or any part of the business of the Chargor;
- (c) to effect and maintain insurances in respect of all or any part of the business and assets of the Chargor;
- (d) to commence and/or complete any repairs, improvements and building operations on any Mortgaged Land and to apply for and obtain any planning permissions, building regulation approvals and any other permissions, consents or licences;
- (e) to complete any transaction under any Relevant Document and satisfy the obligations and liabilities of the Chargor under any Relevant Document or otherwise in connection with any Charged Asset insofar as it is able;

- (f) to raise or borrow money from any person (including the Lender) on any terms, with or without Security on any Charged Asset, and whether ranking in priority to the Security created under this Deed or otherwise;
- (g) in the name of and on behalf of the Chargor, to sell, transfer, assign, exchange, hire out, lend or otherwise dispose of, convert into money, deal with or realise any Charged Assets (whether by public auction, private contract or otherwise) on such terms and for such consideration (which may consist of cash and/or any assets (or any combination of assets) (including shares, debentures, securities or other obligations and/or interests in any entity)) payable at such time or times as he may think fit. Any consideration other than cash shall on receipt be charged under this Deed with the payment and discharge of all Secured Liabilities;
- (h) to sever from the premises to which they are annexed and sell separately any plant, machinery and other fixtures;
- (i) to lease or licence any of the Charged Assets or vary or surrender leases or licences or accept surrenders of leases or licences of any Charged Asset in each case on such terms and conditions and for such rent or fee payable at such time or times as he may think fit (and without the need to comply with sections 99 and 100 of the Act);
- (j) to settle, adjust, arrange, compromise and submit to arbitration any accounts, claims, questions, disputes or demands which may arise in relation to the Chargor, its business, the Charged Assets or the Security created under this Deed;
- (k) to bring, prosecute, enforce, defend, compromise, submit to arbitration, abandon and discontinue any actions, suits or proceedings whatsoever whether civil or criminal in relation to the Chargor, its business, the Charged Assets or the Security created under this Deed;
- (l) to disclaim, abandon or disregard any outstanding contracts of the Chargor and to allow time for payment of any debts owed to the Chargor, whether with or without Security;
- (m) to give valid receipts for all moneys and execute all documents, assurances and things which may be necessary or desirable for realising the Charged Assets;
- (n) to make calls, conditionally or unconditionally, on the members of the Chargor in respect of its uncalled capital;
- (o) to form or establish Subsidiaries of the Chargor and to transfer to any Subsidiary of the Chargor the whole or any part of the Charged Assets;
- (p) to lend money or advance credit to any customer of the Chargor, to enter into bonds, covenants, undertakings, commitments, guarantees, indemnities or other agreements and to make all requisite payments to effect, maintain or satisfy the same;
- (q) to appoint (and discharge) managers, officers, employees, contractors, workmen, agents and advisers for any purpose upon such terms as to remuneration or otherwise as he may determine and to discharge any person appointed by the Chargor;
- (r) to do all such other acts and things as he may consider, in his absolute discretion:
 - (i) necessary or desirable for the realisation of any Charged Asset; or

- (ii) incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law;
- (s) generally to exercise all or any powers conferred by the Insolvency Act 1986 on administrative receivers (whether or not he is an administrative receiver, provided that if he is not an administrative receiver any powers conferred on administrative receivers under the Insolvency Act 1986 shall be exercisable by the Receiver in respect of the Charged Assets only) and/or other receivers;
- (t) generally to use the name of the Chargor in the exercise of any of the powers conferred by this Clause 7.6; and
- (u) generally to exercise all the powers and rights of an absolute beneficial owner of the Charged Assets and do or omit to do anything which the Chargor could do or omit to do,

provided that any Receiver shall in the exercise of his powers, authority and discretions conform to any directions from time to time given by the Lender. To the extent permitted by law, no Receiver or other Secured Party shall have any responsibility or liability to the Chargor or any other person arising out of the exercise or non-exercise of any powers conferred on it by this Clause 7.

7.7 Application of proceeds

All moneys received by the Lender or any Receiver after the Security created by this Deed becomes enforceable shall be applied (subject to any liabilities having priority to the Secured Liabilities and subject to the terms of the Agreement) in the following order:

- (a) in or towards payment of the costs, losses, liabilities, charges and expenses incurred in connection with this Deed by the Lender or any Receiver and the exercise of any of such person's powers and of all outgoings paid by such person (including preferential debts) and in payment to any Receiver of such remuneration as may be agreed between that Receiver and the Lender at, or at any time and from time to time after, the Receiver's appointment in accordance with the terms of this Deed;
- (b) in or towards satisfaction of the Secured Liabilities; and
- (c) in payment of the surplus (if any) to the Chargor or any other person entitled to it.

This Clause 7.7 does not prejudice the right of any Secured Party to recover any shortfall from the Chargor.

7.8 Statutory powers

The powers conferred on mortgagees or receivers by the Act shall apply to any Receiver as if such powers were incorporated into this Deed except in so far as they are expressly excluded. If there is any ambiguity or conflict between the powers contained in the Act and those contained in this Deed, the terms of this Deed shall prevail.

8. PROTECTION OF THIRD PARTIES

8.1 Deemed right to enforce

In favour of any purchaser (as defined in section 205 of the Act) or person dealing in good faith, the Secured Liabilities shall be deemed to become due, and all rights of enforcement conferred upon the Lender by the Act, as varied and extended by this Deed, shall be deemed to arise, immediately after the execution of this Deed.

8.2 No enquiry required

No purchaser or other person dealing with the Lender or a Receiver shall be bound or concerned to enquire how any money paid to the Lender or to any Receiver is to be applied or:

- (a) whether any power exercised or purported to be exercised under this Deed has arisen, become exercisable or is being properly exercised;
- (b) whether any Secured Liabilities are or have become due or payable; or
- (c) as to the propriety or regularity of any sale by or other dealing with the Lender or any Receiver,

or be concerned with notice to the contrary. Any such sale or dealing shall be deemed to be within the powers conferred by this Deed and to be valid and effective.

9. FURTHER ASSURANCE

The Chargor shall, at its own expense, at any time on written demand by the Lender or any Receiver take whatever action the Lender or any Receiver may require:

- (a) to create, perfect, protect, enhance or maintain any Security created or intended to be created under this Deed;
- (b) to affix to or to endorse on any Charged Assets labels, signs, memoranda or other recognisable identification markings referring or drawing attention to the Security created under this Deed; and
- (c) to facilitate the realisation of any Charged Asset, the exercise of any right, power or discretion exercisable by the Lender or any Receiver in respect of any Charged Asset or otherwise under this Deed and/or the enforcement of the Security created under this Deed,

in each case, including the execution of any equitable mortgage, charge, transfer, conveyance or assignment of any asset to the Lender or its nominee, the giving of any notice, order or direction and the making of any filing or registration, in each case which the Lender or any Receiver considers expedient.

10. NON-RELEASE PROVISIONS

10.1 Waiver of defences

The obligations and liabilities of the Chargor under this Deed and this Security will not be affected by an act, omission or thing (whether or not known to it or the Lender) which, but for this Clause, would reduce, release or prejudice any of such obligations and liabilities or Security including:

- (a) any time, waiver or consent granted to, or composition with, the Borrower or any other person;
- (b) the release of the Borrower or any other person under the terms of any composition or arrangement;
- (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 property of, the Borrower or any other person;
- (d) any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- (e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Borrower or any other person;
- (f) any amalgamation, merger or reconstruction of the Lender with any other person or any sale or transfer of the whole or any part of the assets of the Lender to any other person;
- (g) the existence of any claim, set-off or other rights which the Borrower or any other person may have at any time against the Lender;
- (h) any novation, amendment (however fundamental) or replacement of any document or Security;
- (i) any obligation of any person under any document or Security being void, voidable, invalid, unenforceable or otherwise irrecoverable; or
- (j) any insolvency or similar proceedings.

10.2 Immediate recourse

The Chargor waives any right it may have of first requiring the Lender to proceed against or enforce any other rights or Security or claim payment from any person before enforcing this Security. This waiver applies irrespective of any law or any provision of any document to the contrary.

10.3 Appropriations

During the Security Period the Lender may:

- (a) refrain from applying or enforcing any moneys, Security or rights held or received by it (or any trustee or agent on its behalf) in respect of the Secured Liabilities, or, subject to Clause 7.7 (*Application of proceeds*), apply and enforce the same in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and the Chargor shall not be entitled to the benefit of the same; and
- (b) hold in an interest bearing suspense account any moneys received from the Chargor for or on account of the Secured Liabilities.

10.4 **Deferral of Chargor's rights**

Until the expiry of the Security Period and unless the Lender otherwise directs, the Chargor will not exercise any rights which it may have by reason of the enforcement of this Deed:

- (a) to be indemnified by, or to claim any contribution from, the Borrower or any other person in respect of any payment made or moneys received on account of the Chargor's liability under this Deed;
- (b) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender under this Deed or of any guarantee or other Security taken by the Lender;
- (c) to bring legal or other proceedings for an order requiring the Borrower or any other person to make any payment, or perform any obligation, in respect of which the Chargor has given Security under this Deed;
- (d) to exercise any right of set-off against the Borrower or any other person;
- (e) to exercise any right of quasi-retainer or other analogous equitable right; and/or
- (f) to claim or prove as a creditor of the Borrower or any other person in competition with the Lender.

10.5 **Turnover**

If the Chargor receives any benefit, payment or distribution in relation to the rights referred to in Clause 10.4 (*Deferral of Chargor's rights*) it shall hold that benefit, payment or distribution on trust for the Lender and shall promptly pay or transfer the same to the Lender or as the Lender may direct for application in or towards discharge of the Secured Liabilities.

10.6 **Indemnity**

The Chargor agrees as a primary obligor to indemnify the Lender immediately on demand against any loss, cost or liability suffered by the Lender if the Secured Liabilities or any actual or purported agreement, arrangement or instruction relating to the Secured Liabilities or purporting to create or evidence any indebtedness or other liability of the Borrower to the Lender is or becomes invalid, unenforceable or illegal, irrespective of whether the reason for such invalidity, unenforceability or illegality was or ought to have been known to the Lender.

10.7 **Other means of payment**

The Lender may exercise its rights under this Deed before making any demand on the Borrower or the Borrower's estate or any other person or enforcing any other Security or any guarantee for the Secured Liabilities.

10.8 **Security held by the Lender**

The Chargor shall not without the prior written consent of the Lender hold any Security from the Borrower in respect of the Chargor's liability under this Deed. The Chargor will hold any Security held by it in breach of this provision on trust for the Lender.

11. POWER OF ATTORNEY AND DELEGATION

11.1 Power of Attorney

The Chargor irrevocably and by way of security for the Secured Liabilities appoints the Lender and any Receiver acting jointly and severally as its attorney, with full power of substitution and delegation, in its name, on its behalf and as its act and deed to execute, seal and deliver and otherwise perfect any deed, assurance, agreement and instrument, and to do any other act or thing, which may be required of the Chargor under this Deed or may be deemed by such attorney necessary or desirable for any purpose under this Deed but which the Chargor has not done. The Chargor hereby ratifies and confirms and shall ratify and confirm whatever any attorney appointed under this Clause 11.1 does or purports to do under this Clause 11.1.

11.2 Delegation

The Lender or any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed upon any terms (including power to sub-delegate) which the Lender or any Receiver may think fit. Neither the Lender nor any Receiver will be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

11.3 Indemnity and liability

- (a) The Chargor irrevocably and unconditionally undertakes to indemnify (on an after-tax basis) the Lender as its attorney and each Receiver and Delegate appointed from time to time by the Lender as its attorney and their respective estates against all actions, proceedings, claims, costs, expenses and liabilities of every description arising from the proper exercise, or the proper purported exercise, of any of the powers conferred by this Clause 11 ("**Indemnified Loss**") provided that the Chargor shall not be obliged to indemnify the Lender as its attorney, or as the case may be, such Receiver or Delegate for any Indemnified Loss which arises as a result of the Lender's (as its attorney) or such Receiver's or Delegate's wilful misconduct or gross negligence.
- (b) The provisions of paragraph (a) above shall continue in force after the revocation or termination, howsoever arising, of the power of attorney granted by the Chargor pursuant to this Clause 10.1.
- (c) The Lender (as the Chargor's attorney) shall not be liable (including for negligence or any other category of liability whatsoever) to the Chargor for any action taken by it under or in connection with this Clause 11 unless directly caused by its gross negligence or wilful misconduct.

12. NEW ACCOUNT

If the Lender receives or is deemed to be affected by actual or constructive notice of any subsequent Security, assignment or other disposition affecting any Charged Asset, the Lender may open a new account for the Chargor. If the Lender does not open a new account for the Chargor, then unless it gives express written notice to the contrary to the Chargor, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received such notice. As from that time all payments made by or on behalf of the Chargor to the Lender shall be credited or be treated as having been credited to the new account and shall not operate to reduce any Secured Liability.

13. PRESERVATION OF SECURITY

13.1 Continuing security

The Security created under this Deed shall be a continuing security for the payment and discharge of the Secured Liabilities and will extend to the ultimate balance of the Secured Liabilities regardless of any intermediate payment, discharge or satisfaction of all or any part of the Secured Liabilities.

13.2 Reinstatement and avoidance of payments

- (a) Any settlement or discharge between any Secured Party and the Chargor in respect of the Secured Liabilities shall be conditional upon no Security of, or payment to, the Secured Parties (whether made by the Chargor or otherwise) being avoided, reduced or required to be refunded or paid away by virtue of any requirement (whether or not having the force of law) or enactment, whether relating to bankruptcy, insolvency, liquidation, administration or otherwise, at any time in force or by virtue of any obligation to give effect to any preference or priority.
- (b) If any settlement or discharge is so avoided, reduced, refunded or paid away the liability of the Chargor and the Security created under this Deed shall continue, and the Secured Parties shall be entitled to recover the value or amount of any such payment or Security from the Chargor, in each case as if such settlement, discharge, refund or payment had not occurred.
- (c) Each Secured Party may concede or compromise any claim that any payment, Security or other disposition is liable to avoidance or restoration.

13.3 Appropriation and suspense account

- (a) Each Secured Party (or any trustee or agent on its behalf) may:
 - (i) (subject to the terms of Clause 7.7 (*Application of proceeds*)) appropriate and apply any money or payments received in respect of the Secured Liabilities in reduction of any part or parts of the Secured Liabilities as it may think fit in its absolute discretion;
 - (ii) apply and enforce, or refrain from applying or enforcing, any other Security or rights held or received by it in respect of the Secured Liabilities, in such manner and order as it may think fit (whether against the Secured Liabilities or otherwise) and the Chargor shall not be entitled to the benefit of the same.
- (b) The Lender (or any Receiver) may hold in a suspense or impersonal account until the Secured Liabilities have been irrevocably discharged in full any money received from the Chargor or on account of the Secured Liabilities without any obligation to appropriate or apply all or any part of it.

13.4 Additional security

The Security created by this Deed is in addition to and shall not merge with or prejudice, and will not be excluded or prejudiced in any way by, any other Security or other contractual, legal or equitable right whatsoever now or in the future held by any Secured Party for any of the Secured Liabilities or otherwise.

14. GENERAL

14.1 Notices

- 14.2 The Chargor's address, fax number and email address for any notice, demand or other communication under or in connection with this Deed are:

Address:

Fax:

Email:

- 14.3 Every notice or other communication made under this Deed shall unless otherwise stated be in writing (by way of letter, email or facsimile transmission) and shall be given in accordance with the Notice Details.

- 14.4 Any such notice or communication to the Lender shall only be effective when actually received by the Lender. Any such notice or communication to the Chargor shall be effective when actually received or, if earlier, when it is deemed to be received by the Chargor as applicable.

- 14.5 Where the recipient is the Chargor, a notice or other communication shall be deemed to have been received:-

- (a) in the case of a letter when delivered personally or by courier service to Chargor's address or two days after its posting by first class post;
- (b) in the case of an email, when sent; and
- (c) in the case of a facsimile transmission, when sent.

14.6 Counterparts

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed. Each counterpart is an original but all counterparts shall together constitute one and the same instrument.

14.7 Third party rights

Unless expressly provided to the contrary in this Deed, a person who is not a party to this Deed (other than the Secured Parties and their permitted successors and assigns) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.

14.8 Deed

It is intended that this Deed takes effect as a deed notwithstanding the fact that a party hereto may only execute it under hand.

14.9 Transfer by the Lender

The Lender may assign or transfer all or any part of its rights and/or obligations under this Deed without the consent of the Chargor. The Chargor shall execute any documents specified by the Lender to the extent necessary to give effect to any such assignment or transfer.

14.10 No transfer by the Chargor

The Chargor shall not assign any of its rights or novate or otherwise transfer any of its rights and obligations under or interests in this Deed.

15. LIMITED RECOURSE AND NON PETITION

15.1 Notwithstanding any other provision in this Deed, the Chargor agrees and acknowledges with the Lender that the obligations of the Lender arising under this Deed are limited recourse obligations of the Lender which are payable solely from the Lender's assets, it shall have recourse in respect of any amount, claim or obligation due or owing to it by the Lender under or in relation to this Deed (the "**Claims**") only to the extent of the assets of the Lender and that accordingly the Claims are limited in recourse and that if, following the disposal or realisation of all of the Lender's assets, the Lender does not have sufficient funds available to it to satisfy the Claims and all other amounts, claims and obligations of the Lender which are expressed to be limited in recourse, then any amount of the Claims which remain outstanding after such funds have been applied pro rata and pari passu to pay or provide for the Claims and such other amounts, claims and obligations shall be extinguished and the Lender shall have no further liability in respect thereof.

15.2 Notwithstanding anything to the contrary in this Deed, the Chargor acknowledges and agrees that neither it (nor any other party acting on its behalf) shall be entitled at any time to institute against the Lender, or join in any institution against the Lender of, any bankruptcy, reorganisation, arrangement, insolvency, examinership or liquidation proceedings, or other analogous proceedings under any applicable bankruptcy or similar law in connection with any obligations of the Lender hereunder, save for lodging a claim in the liquidation of the Lender which has been initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Lender in relation thereto.

15.3 This clause 15 shall survive the termination or expiration of this Deed.

16. GOVERNING LAW

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

17. JURISDICTION

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including claims for set-off and counterclaim and any dispute regarding the existence, validity or termination of this Deed and any non-contractual obligations arising out of or in connection with it) (a "**Dispute**").
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and no party to this Deed will argue to the contrary.
- (c) This Clause 17 is for the benefit of the Secured Parties only. As a result, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts

with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

IN WITNESS whereof this Deed has been signed by the Lender and duly executed as a deed by the Chargor and is intended to be and is delivered on the date first above written.

SCHEDULE 1

Part 1: Form of Notice of Assignment for Contracts

[On the letterhead of the Chargor]

To: ●

Attention: ●

Dated: ● 201●

Dear Sirs

We hereby give you notice that by a deed dated ●, we have assigned to ● of ● (the "Lender") by way of security all of our rights, title and interest in and to the ● dated ● between ● in respect of ● (the "Contract").

Our duties and obligations under the Contract have not been novated and we remain responsible to you for all such duties and obligations. Save as otherwise set out below, you may continue to deal with us in relation to the Contract until you receive notice to the contrary from the Lender. Thereafter we will cease to have any right to deal with you in relation to the Contract and from that time you should deal only with the Lender.

We will remain entitled to exercise all our rights, powers and discretions under the Contract, and you should continue to give notices under the Contract to us, unless and until you receive notice from the Lender to the contrary stating that the security has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given to, the Lender or as it directs.

You are authorised to disclose information in relation to the Contract to the Lender on its request and you shall send copies of all notices and other information sent or delivered under the Contract to the Lender.

Neither the Lender nor any receiver, delegate or sub-delegate appointed by it shall have any liability under the Contract.

These instructions may not be varied or revoked without the prior written consent of the Lender.

This letter and all non-contractual obligations arising out of it shall be governed by and construed in accordance with English law.

Please acknowledge receipt of this letter and your acceptance of the instructions and authorisations contained in it within 7 days of receiving this letter by sending a letter in the enclosed form direct to the Lender at its above address marked for the attention of [●].

Yours faithfully

.....

for and on behalf of [CHARGOR]

Part 2: Form of Acknowledgement for Contracts

[On the letterhead of the Contract Party]

To: [Lender]

Attention: ●

Dated: ● 201●

Dear Sirs

We acknowledge receipt of a notice dated ● (the "**Notice**") and addressed to us by ● in relation to the Contract (as defined in the Notice).

We accept the instructions and authorisations contained in the Notice and undertake to act in accordance and comply with the terms thereof.

We have not received any other notice of any assignment of, or any Security or the interest of any third party in, the Contract.

This letter and all non-contractual obligations arising out of it shall be governed by and construed in accordance with English law.

Yours faithfully

.....

for and on behalf of [CONTRACT PARTY]

SCHEDULE 2

Part 1: Form of Notice of Charge for Accounts

[On the letterhead of the Chargor]

To: ●

Attention: ●

Dated: ● 201●

Dear Sirs

We give you notice that by a deed dated ●, we have charged to ● of ● (the "**Lender**") by way of security all our interest and rights in respect of the following account (the "**Charged Account**") held by us with you:

Account Name: []

Account Number: []

Sort Code: []

We irrevocably and unconditionally instruct and authorise you (without any further permission from us and notwithstanding any previous instructions which we may have given you to the contrary):

1. to disclose to the Lender such information relating to the Charged Account as the Lender may from time to time request;
2. following receipt by you of notice from the Lender that the security over the Charged Account has become enforceable, to hold the sums standing to the credit of the Charged Account from time to time to the order of the Lender;
3. following receipt by you of notice from the Lender that the security over the Charged Account has become enforceable, to act in accordance with any instructions from time to time received by you in writing from the Lender to release (or to allow the Lender to withdraw) the sums standing to the credit of the Charged Account from time to time; and
4. following receipt by you of notice from the Lender that the security over the Charged Account has become enforceable, not to permit any withdrawal by us or any other person of any sums standing to the credit of the Charged Account without the prior written consent of the Lender.

All notices, statements or instructions may be relied upon by you provided that they purport to be signed by an authorised signatory of the Lender.

Until such time as the Lender notifies you that the security over the Charged Account has become enforceable, we shall remain free to deal with the Charged Account.

These instructions may not be varied or revoked without the prior written consent of the Lender.

This letter and all non-contractual obligations arising out of it shall be governed by and construed in accordance with English law.

Please acknowledge receipt of this letter and your acceptance of the instructions and authorisations contained in it within 7 days of receiving this letter by sending a letter in the enclosed form direct to the Lender at its above address marked for the attention of ●.

Yours faithfully

.....

for and on behalf of [CHARGOR]

Part 2: Form of Acknowledgement for Accounts

[On the letterhead of the Account Bank]

To: [Lender]

Attention: ●

Dated: ● 201●

Dear Sirs

We acknowledge receipt of a notice dated ● (the "**Notice**") and addressed to us by ● (the "**Chargor**") in relation to the Charged Account (as defined in the Notice).

We accept the instructions and authorisations contained in the Notice and undertake to act in accordance and comply with the terms thereof.

We acknowledge and confirm to the Lender that:

1. no rights of counterclaim, rights of set-off or any other equities whatsoever have arisen in our favour against the Chargor in respect of the Charged Account or any sums standing to its credit and we will not make any claims or demands or exercise any rights of counterclaim, set-off or any other equities whatsoever against the Chargor in respect of the Charged Account or any sums standing to its credit from time to time; and
2. we have not, as at the date hereof, received any notice that any third party has or will have any right or interest whatsoever in or has made or will be making any claim or demand or taking any action whatsoever against the Charged Account or any sums standing to its credit from time to time.

If we become aware at any time that any person other than yourselves has or will have any right or interest in the Charged Account and/or the debt represented thereby, we will promptly notify you.

The only account maintained with us by the Chargor is the account referred to in the Notice.

This letter and all non-contractual obligations arising out of it shall be governed by and construed in accordance with English law.

Yours faithfully

.....

for and on behalf of [ACCOUNT BANK]

SCHEDULE 3

Part 1: Form of Notice to Occupational Tenants

[On the letterhead of the Chargor]

To: ●

Attention: ●

Dated: ● 201●

Dear Sirs

Re: [Property]

We refer to the lease dated ● and made between ● and ● (the "**Lease**").

We give you notice that by a deed dated ● we charged and assigned to ● of ● (the "**Lender**") by way of security all our right, title and interest in and to the Lease and the moneys from time to time due to us under the Lease.

We irrevocably instruct and authorise you, until you receive notice from the Lender to the contrary and notwithstanding any previous instructions given by us to you, to pay all rent payable by you under the Lease to our account with ●, Account No. ●, Sort Code ●.

This letter and all non-contractual obligations arising out of it shall be governed by and construed in accordance with English law.

Please acknowledge receipt of this notice and your acceptance of the instructions and authorisations contained in it within 7 days of the date of this notice by signing the attached acknowledgement and returning it direct to the Lender at its above address marked for the attention of ●.

These instructions may not be varied or revoked without the prior written consent of the Lender.

Yours faithfully

.....

for and on behalf of [CHARGOR]

Part 2: Form of Acknowledgement from Occupational Tenants

[On the letterhead of the Occupational Tenant]

To: [Lender]

Attention: ●

Dated: ● 201●

Dear Sirs

Re: [Property]

We acknowledge receipt of a notice dated ● (the "**Notice**") and addressed to us by ● (the "**Chargor**") in relation to the Lease (as defined in the Notice).

We accept the instructions and authorisations contained in the Notice and undertake to act in accordance and comply with the terms thereof.

We confirm that we have not, as at the date of this acknowledgement, received any notice that any third party has or will have any right or interest in, or has made or will make any claim or demand or take any action in respect of, the rights of the Chargor under or in respect of the Lease (as defined in the Notice).

This letter and all non-contractual obligations arising out of it shall be governed by and construed in accordance with English law.

Yours faithfully

.....

for and on behalf of [Occupational Tenant]

SCHEDULE 4

[On the letterhead of the Chargor]

To: ●

Attention: ●

Dated: ● 201 ●

Dear Sirs

We give you notice that by a deed dated ● (the "**Deed**") we have assigned to ● (the "**Lender**") by way of security all of our rights, title to and interests in each of the following policies (including all moneys payable thereunder and the proceeds of all related claims, awards and judgments):

Policy No.	[Account]
[]	[]

which have been issued to and accepted by us (and all other insurances entered into supplemental to or in replacement of any such policy of insurance) (each a "**Policy**").

We hereby notify and irrevocably instruct you as follows:

1. We will remain liable to perform all our obligations under each Policy and the Lender is under no obligation or liability of any kind whatsoever to any person either under any Policy or in the event of any failure by us to perform our obligations under any Policy. Save as otherwise set out below, you will continue to deal with us in relation to each Policy until you receive notice to the contrary from the Lender. Thereafter we will cease to have any right to deal with you in relation to that Policy and from that time you should deal only with the Lender.
2. Until you receive notice from the Lender in writing to the contrary, you should make all payments arising under a Policy to the relevant bank account listed above, except in the case of any amounts to be paid under or in connection with any third party liability insurance claim where such amounts are to be paid directly to the person whose claims constitute the risk or liability insured against, provided that such person has executed a discharge of all claims against us or any other insured party in respect of the risk or liability in relation to which the claim was made.
3. We may not amend, modify, waive, release or terminate any Policy without the prior written consent of the Lender.
4. You are authorised to disclose information in relation to any Policy to the Lender on its request and we hereby instruct you to send to the Lender copies of all notices and other information sent or delivered to us under any Policy.
5. All remedies provided for under any Policy or available at law or in equity are exercisable by the Lender.
6. All rights to compel performance under any Policy are exercisable by the Lender.

7. All rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising under the relevant Policy belong to the Lender.

These instructions may not be varied or revoked without the prior written consent of the Lender.

This letter and all non-contractual obligations arising out of it shall be governed by and construed in accordance with English law.

Please acknowledge receipt of this letter and your acceptance of the instructions and authorisations contained in it within 7 days of receiving this letter by sending a letter in the enclosed form direct to the Lender at its above address marked for the attention of ●.

Yours faithfully

.....

for and on behalf of [CHARGOR]

Part 2: Form of Acknowledgement for Insurance

[On the letterhead of the Insurer]

To: [Lender]

Attention: ●

Dated: ● 201●

Dear Sirs

We acknowledge receipt of a notice dated ● (the "Notice") and addressed to us by ● (the "Chargor") in relation to the Policy (as defined in the Notice).

We accept the instructions and authorisations contained in the Notice and undertake to act in accordance and comply with the terms thereof.

We confirm that we have not received notice of any assignment of or charge over any of the rights, title or interest specified in the Notice and will make all payments to the relevant account/accounts specified in the Notice.

We further confirm that:

1. no termination of such rights, interests or benefits will be effective unless we have given the Lender [30] days' written notice of the proposed termination and specifying the action necessary to avoid such termination; and
2. no breach or default on the part of the Chargor of any of the terms of the relevant Policy will be deemed to have occurred unless we have given notice of such breach to the Lender specifying how to make good such breach.

Yours faithfully

.....

for and on behalf of [INSURER]

SCHEDULE 5

Representations and Warranties

1. **Status - Corporate Borrowers only**

where the Chargor is a corporate entity, it is a limited liability company or limited liability partnership duly incorporated and validly existing under the laws of its jurisdiction of incorporation and has power to own its property and assets and carry on its business as presently conducted;

2. **Status - No Trustees or Agents**

in relation to its acceptance of this Deed as Chargor, the Chargor is acting on his or its own behalf and not in any other capacity;

3. **Powers and Authority**

it has power, capacity and authority to execute, deliver and perform its obligations under the Documents to which it is party and where the Chargor is a corporate entity, all necessary corporate, shareholder or other action (if applicable) has been taken to authorise the execution, delivery and performance of the Documents to which it is party;

4. **Legal Validity**

this Deed constitutes, or when executed in accordance with its terms will constitute, legal, valid and binding obligations enforceable on it;

5. **Non-Conflict**

the entry into and performance of this Deed does not and shall not contravene or conflict with, any law, statute, regulation or other instrument binding on it (including where the Chargor is a corporate entity its memorandum and articles of association), or all or any of its assets, or any agreement or document to which it is a party or which is binding on it or any of its assets;

6. **Authorisations and Compliance**

it holds and is in compliance with (i) all necessary certificates, licences, permits, consents or other authorisations required for conducting its business and (ii) all applicable laws and regulations or other legal requirements binding upon it;

7. **Breach of Development Documents and Other Agreements**

it is not (nor with the giving of notice, lapse of time or satisfaction of any other condition would be) in breach of or in default under any Relevant Document or any other agreement or document to which it is party or by which it or any part of its assets may be bound;

8. **Litigation**

no litigation, arbitration or administrative or bankruptcy proceeding is taking place (including without limitation any action under any environmental law or regulation), pending or to the

knowledge of the Chargor threatened against it or any part of its undertaking, assets or revenues;

9. **Security**

no Security exists on the Property or any of the Chargor's other assets relating to the Property or the Development other than Security in favour of the Lender or Security to which the Lender has consented other than the Permitted Security;

10. **Centre of Main Interests - Corporate Chargors only**

where the Chargor is a corporate entity, the centre of main interests of the Chargor is situated in the United Kingdom and the Chargor does not have an establishment outside of the United Kingdom;

11. **Environment**

it is in compliance with all applicable environmental laws, regulations and practices, (ii) holds and is in compliance with all necessary licences, permits, consents or other authorisations essential for the conduct of its business; and (iii) has not previously conducted nor are currently conducting its business in any manner which could form the basis of any environmental claim against it;

12. **Information**

as of the date on which it was provided and (if later) all factual information provided by the Chargor (or any person acting on its behalf) to the Lender (or any person acting on its behalf) was true, accurate and up to date in all respects and not misleading in any respect, all financial projections or forecasts were prepared on the basis of reasonable assumptions and any expressions of opinion or intention were made in good faith and on reasonable grounds and the Chargor has provided all information which is relevant for the purposes of any Valuation or report on title prepared in connection with the Property;

13. **No breach of Representations**

there has been no breach of any representation or warranty made or repeated by the Chargor.

14. **Title to Property**

- (a) it is the sole legal and beneficial owner of the [*freehold*] interest in the Property.
- (b) it has a good and marketable title to the Property, in each case free from any Security (other than in favour of the Lender).

EXECUTION PAGE

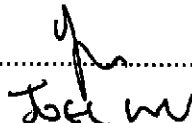
THE CHARGOR

EXECUTED AS A DEED

By COTTON GROVE LIMITED
acting by:

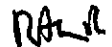
Signature of Director

Print name of Director


.....
John
.....

in the presence of:

Witness:
Signature


.....

Name

RALPH DEMOND
.....

Address

1 HEATHER AVE
.....
.....

Occupation

TEAM
.....

THE LENDER

Signed for and on behalf of

D&B LENDING DESIGNATED ACTIVITY COMPANY)