



Registration of a Charge

Company name: **GATESHEAD JI ESTATES NO. 2 LTD**

Company number: **11179885**



X79MXP94

Received for Electronic Filing: **06/07/2018**

Details of Charge

Date of creation: **29/06/2018**

Charge code: **1117 9885 0001**

Persons entitled: **HSBC BANK PLC**

Brief description:

Contains fixed charge(s).

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 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:

GATELEY PLC



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 11179885

Charge code: 1117 9885 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 29th June 2018 and created by GATESHEAD JI ESTATES NO. 2 LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 6th July 2018 .

Given at Companies House, Cardiff on 10th July 2018

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

29 June

2018

(1) GATESHEAD JI ESTATES NO.2 LTD

and

(2) HSBC BANK PLC

DEBENTURE

HSBC 

HSBC Bank plc

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THIS DEED is made on

29 June

2018

BETWEEN:-

- (1) **GATESHEAD JI ESTATES NO.2 LTD**, a company incorporated and registered under the laws of England and Wales with registered number 11179885 whose registered office is at Flat 1, Alanadale Court, Waterpark Road, Salford, Manchester, M7 4JN (the "Company"); and
- (2) **HSBC BANK PLC** (the "Lender").

IT IS AGREED as follows:-

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Debenture:-

- "Account"** means any account now or at any time (and from time to time) opened, owned, operated, held or maintained by the Company (or in which the Company has an interest) at any bank or financial institution in any jurisdiction (and shall include any addition to or renewals, replacement, redesignation, subdivision, substitution or sub-account of that account) and all moneys from time to time standing to the credit (including any interest thereon) of such accounts.
- "Account Balance"** means in respect of any Account, all monies standing to the credit of that Account and:
- (a) all interest at any time accrued or accruing on such monies
 - (b) all investments at any time made out of such monies or account and
 - (c) all rights to repayment of any of the same
- "Affiliate"** means a Subsidiary of a company, a Holding Company of that company or any other Subsidiary of that Holding Company
- "Assigned Accounts"** means:-
- (a) each of the Accounts specified as Assigned Accounts in Schedule 2 (*Accounts*) (and shall include any addition to or renewals, replacement, redesignation, subdivision, substitution or sub-account of such Accounts);
 - (b) any Blocked Accounts which are maintained with any bank or financial institution other than the Lender; and
 - (c) any other Account agreed by the Lender and the Company in writing to be an Assigned Account
- "Assigned Contracts"** means, in addition to the Material Contracts, all contracts, agreements, deeds and other documents designated as such by the Lender and the Company

"Assigned Insurances"	means the Insurances (if any) specified in Schedule 3 (<i>Assigned Insurances</i>) (including any renewal, substitution or replacement of such Insurance)
"Authorisation"	means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration
"Blocked Accounts"	means:- <ul style="list-style-type: none"> (a) each of the Accounts specified as Blocked Accounts in Schedule 2 (<i>Accounts</i>) (and shall include any addition to or renewals, replacement, redesignation, subdivision, substitution or sub-account of such accounts); and (b) any other Account agreed by the Lender and the Company in writing to be a Blocked Account
"Beneficiary"	has the meaning given to it in the Facility Agreement
"Borrowers"	means Gateshead JI Estates No.1 Ltd (company number 11179912) and Gateshead JI Estates No.2 Ltd (company number 11179885) (each a Borrower)
"Facility Agreement"	means the LIBOR term loan facility agreement dated on or about the date hereof between the Borrowers and the Lender (as may be varied, restated, supplemented and/or amended from time to time)
"Hedging Agreement"	means any master agreement, confirmation, schedule or other agreement entered into or to be entered into by any Borrower to which the Lender is a Counterparty for the purpose of hedging interest rate liabilities and/or any exchange rate or other risks in relation to all or part of the Secured Liabilities and shall include all trades conducted thereunder
"Holding Company"	has the meaning given in section 1159 of the Companies Act 2006
"Insurances"	means any contracts and policies of insurance or assurance taken out by or on behalf of the Company or (to the extent of its interest) in which the Company has an interest excluding, in each case, contracts and policies of insurance or assurance which relate to liabilities to third parties
"Interest Rate"	means the rate of interest payable on any facility secured by the Security
"Land"	has the meaning given to that term in section 205(1) of the LPA but for these purposes " Land " excludes heritable property situated in Scotland
"Lease"	means any lease, underlease, tenancy, licence or other right of occupation to which the Property is from time to time subject together with any related guarantee or other security for the performance of the lessee's obligations
"Legal Reservations"	has the meaning given to it in the Facility Agreement
"Material Contracts"	means those agreements designated as Material Contracts by the Company and the Lender

"Monetary Claims"	means all present and future book debts and other debts, royalties, fees, VAT and monetary claims and all other amounts at any time recoverable or receivable by the Company or due or owing to it (whether actual or contingent and whether arising under contract or in any other manner whatsoever)
"Nominee Arrangement"	has the meaning given to it in the Facility Agreement
"Nominee Assets"	has the meaning given to it in the Facility Agreement
"Perfection Requirements"	has the meaning given to it in the Facility Agreement
"Property"	means all the Land from time to time subject to the Security Interests created by the Company in favour of the Lender
"Receiver"	means an administrative receiver, a receiver and/or manager of any or all of the Company's assets appointed by the Lender under the Security
"Secured Liabilities"	means all monies from time to time due or owing and all other actual or contingent liabilities from time to time incurred by the Company to the Lender (including any under any Hedging Agreement)
"Security Assets"	means all the Company's assets from time to time the subject of Security
"Security Interest"	means a mortgage, charge, assignment, pledge, lien, standard security, assignation or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect
"Security"	means the Security Interests created or intended to be created by or pursuant to this Debenture
"Shares"	means the shares and associated rights referred to in Clause 4.1.4
"Subsidiary"	has the meaning given in section 1159 of the Companies Act 2006
"VAT"	means value added tax as provided for in the Value Added Tax Act 1994 and any similar or substitute tax

1.2 Interpretation

1.2.1 Unless a contrary indication appears, any reference in this Debenture to:-

- (a) **"assets"** includes present and future properties, revenues and rights of every description;
- (b) the **"Lender"** shall be construed to include its successors in title, permitted assigns and permitted transferees;
- (c) a **"disposal"** includes a lease, licence, transfer, sale or other disposal of any kind;
- (d) **"Includes"** or **"including"** shall be read and construed as including the phrase **"without limitation"**;
- (e) this **"Debenture"** or any other agreement or instrument is a reference to this Debenture, or other agreement or instrument as amended, supplemented,

extended, restated, novated and/or replaced in any manner from time to time (however fundamentally and even if any of the same increases the Company's obligations or provides for further advances);

- (f) a provision of law is a reference to that provision as amended or re-enacted;
- (g) the singular includes the plural and vice versa; and
- (h) any Land includes:-
 - (i) all or any part of it;
 - (ii) all buildings, fixtures (including trade fixtures), fittings and fixed plant or machinery at any time on that property;
 - (iii) all easements, servitudes, rights and agreements in respect of that property;
 - (iv) all rents from and proceeds of sale of that property; and
 - (v) the benefit of all covenants given in respect of that property.

1.2.2 When any provision of this Debenture refers to an approval or consent by the Lender that provision shall be construed so as to require that consent or approval to be given in writing.

1.2.3 Where the Company includes two or more entities a reference to the Company shall mean to each of the entities severally as well as all of the entities jointly.

1.2.4 Where the Company is not a limited company, references to 'its' and 'it' shall be read and construed as references to 'his' and 'him' or 'her' as applicable.

1.2.5 References to clauses and paragraphs are to be construed, unless otherwise stated, as references to clauses and paragraphs of this Debenture.

1.2.6 Clause headings are for ease of reference only and shall not affect the construction of this Debenture.

1.2.7 If the Lender reasonably considers that an amount paid by the Company is capable of being avoided or otherwise set aside on the bankruptcy, liquidation or administration of the Company, then that amount shall not be considered to have been irrevocably paid for the purposes of this Debenture.

1.3 Third party rights

Only a Receiver has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Debenture.

1.4 Law of Property (Miscellaneous Provisions) Act 1989

The terms of all other documents entered into between the Company and the Lender are incorporated in this Debenture to the extent required to ensure that any disposition of the Property contained in this Debenture is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.5 Delivery

The parties intend this Debenture to be delivered on the first date specified on page 1 of this Debenture and that this Debenture shall take effect as a deed notwithstanding the fact that the Lender may only execute this Debenture under hand.

2. COVENANT TO PAY

2.1 Covenant to pay

The Company shall pay and discharge each of the Secured Liabilities when the same fall due for payment.

2.2 Further advances

This Debenture is made to secure any further advances or other facilities but it does not create any obligation on the Lender to make any further advances or make other facilities available.

2.3 Default interest

2.3.1 Any amount which is not paid under this Debenture when due shall bear interest (both before and after judgment and payable on demand) from the due date until the date on which such amount is unconditionally and irrevocably paid and discharged in full on a daily basis at the rate that is two per cent above the Interest Rate from time to time.

2.3.2 Default interest will accrue from day to day on a year of 365 days and will be compounded at such intervals as the Lender considers are appropriate.

3. SECURITY

3.1 Nature of security

All Security and dispositions created or made by or pursuant to this Debenture are created or made in favour of the Lender with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994 as security for the discharge of the Secured Liabilities.

3.2 Qualifying floating charge

3.2.1 Paragraph 14 of schedule B1 to the Insolvency Act 1986 applies to any floating charge created by or pursuant to this Debenture.

3.2.2 Each floating charge created by this Debenture is a qualifying floating charge for the purposes of the Insolvency Act 1986.

3.3 Trust

If or to the extent that for any reason the assignment or charging of any Security Asset is prohibited, the Company shall:-

3.3.1 hold it on trust for the Lender as security for the payment and discharge of the Secured Liabilities; and

3.3.2 take such steps as the Lender may require to remove the impediment to assignment or charging it.

4. FIXED SECURITY

4.1 Fixed charges

The Company charges and agrees to charge all of its present and future right, title and interest in and to the following assets which are at any time owned by it, or in which it from time to time has an interest:-

4.1.1 by way of first fixed charge:-

- (a) all Land (if any) at the date of this Debenture vested in, or charged to the Company;
- (b) all Land acquired by any Company after the date of this Debenture;
- (c) all licences to enter upon or use Land and the benefit of all other agreements relating to Land;
- (d) the proceeds of sale of all Land; and
- (e) the benefit of any rental deposit given or charged to the Company by any occupier of any Land;

4.1.2 by way of first fixed charge (insofar as not charged by Clause 4.1.1) all present and future rents and other sums due to the Company under any Lease;

4.1.3 by way of first fixed charge all plant and machinery (insofar as not charged by Clause 4.1.1) and the benefit of all contracts, licences and warranties relating to the same;

4.1.4 by way of first fixed charge all stocks, shares, debentures, bonds, warrants, coupons, negotiable instruments, certificates of deposit or other securities or "investments" (as defined in part II of schedule II to the Financial Services and Markets Act 2000 as in force at the date of this Debenture) now or in future owned by the Company or held by a nominee, trustee, fiduciary or clearance system on its behalf or in which the Company has an interest at any time, together with all dividends, distributions and other income paid or payable and all rights, monies or property accruing or offered at any time in relation to such assets whether by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;

4.1.5 by way of first fixed charge the Blocked Accounts of the Company held with the Lender and the Account Balances in respect of those Accounts, together with all additions, renewals, replacements, redesignations, subdivisions, substitutions or sub-accounts of such accounts (in whatever currency);

4.1.6 by way of first fixed charge all of the Accounts of the Company held with the Lender (save for those listed in Clause 4.1.5) and the Account Balances in respect of those Accounts, together with all additions to or renewals, replacements, redesignations, subdivision, substitution or sub-accounts of such accounts (in whatever currency);

4.1.7 by way of first fixed charge all the Accounts of the Company (save for those accounts listed in Clauses 4.1.5 and 4.1.6) with any bank, financial institution or other person at any time and all Account Balances in respect of those accounts, together with all additions to or renewals, replacements, redesignations, subdivision, substitution or sub-accounts of such accounts (in whatever currency);

4.1.8 by way of first fixed charge all Monetary Claims together with the benefit of all rights, guarantees, Security Interests and remedies relating to any Monetary Claims;

- 4.1.9 by way of first fixed charge all the rights the Company has from time to time in respect of any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests (whether registered or unregistered) and the benefit of all applications for and rights to use such assets;
- 4.1.10 by way of first fixed charge, each Hedging Agreement, all rights and remedies in connection with such Hedging Agreements and all proceeds and claims arising from them;
- 4.1.11 by way of first fixed charge (to the extent not otherwise charged or assigned in this Debenture):-
 - (a) the benefit of all licences, consents, agreements and Authorisations held or used in connection with the Company's business or the use of any of its assets; and
 - (b) any letter of credit issued in the Company's favour and all bills of exchange and other negotiable instruments held by it;
- 4.1.12 by way of first fixed charge all of the Company's goodwill and uncalled capital; and
- 4.1.13 to the extent that any asset expressed to be assigned pursuant to Clause 4.2 (*Security assignments*) is not effectively assigned under that clause, by way of first fixed charge, such asset.

4.2 Security assignments

- 4.2.1 The Company assigns and agrees to assign absolutely (subject to a proviso for reassignment on the irrevocable discharge in full of the Secured Liabilities) all of its present and future right, title and interest in and to:-
 - (a) (to the extent not mortgaged or charged by Clause 4.1 (*Fixed charges*)) all present and future rents and other sums due to the Company under any Lease;
 - (b) each Material Contract together with all rights and remedies in connection with each Material Contract and all proceeds and claims arising from them;
 - (c) each Assigned Contract together with all rights and remedies in connection with each Assigned Contract and all proceeds and claims arising from them;
 - (d) all Assigned Insurances, claims under the Assigned Insurances and all proceeds of claims under the Assigned Insurances;
 - (e) each Assigned Account and Account Balances in respect of those Accounts, together with all additions to or renewals, replacements, redesignations, subdivision, substitution or sub-accounts of such accounts (in whatever currency);
 - (f) the benefit of all rights, guarantees, Security Interests and remedies relating to any of the foregoing; and
 - (g) all proceeds of any of the foregoing not otherwise assigned under this Clause 4.2.
- 4.2.2 To the extent that any right referred to in Clause 4.2.1 is not assignable, the assignment which that clause purports to effect shall operate as an assignment of all the Company's present and future rights and claims to any proceeds of such rights.

4.3 Notice of Security

4.3.1 The Company must give notice of the grant of the Security to:-

- (a) each tenant under a Lease, in the form set out in Schedule 4 (*Form of notice to and acknowledgement by tenant*);
- (b) each counterparty to a Material Contract or an Assigned Contract, in the form set out in Schedule 5 (*Form of notice of assignment of Material Contracts or Assigned Contracts*);
- (c) each insurer under any Assigned Insurances in the form set out in Schedule 6 (*Form of notice of assignment of Insurance*);
- (d) each bank or financial institution with whom an Assigned Account (other than a Blocked Account) is held in the form set out in Schedule 7 (*Form of notice of assignment of Assigned Accounts (other than Blocked Accounts)*);
- (e) each bank or financial institution other than the Lender with whom a Blocked Account is held, in the form set out in Schedule 8 (*Form of notice of assignment of Blocked Accounts*);

and it shall use its reasonable endeavours to procure that the recipient of each notice acknowledges it in writing.

4.3.2 A notice pursuant to Clause 4.3.1 must be given:-

- (a) in the prescribed forms attached to this Debenture;
- (b) immediately in respect of each Lease, Material Contract, Assigned Contract, Assigned Insurance, Assigned Account and Blocked Account in existence at the date of this Debenture; and
- (c) promptly after the entry into a new Lease, Material Contract, Assigned Contract, Assigned Insurance or the opening of a new Assigned Account or Blocked Account after the date of this Debenture.

4.4 Preservation of assets

The Lender is not obliged to take any steps necessary to preserve any of the Company's assets, to enforce any term of any contract or to make any enquiries as to the nature or sufficiency of any payment received by it pursuant to this Debenture.

5. FLOATING CHARGE

The Company charges and agrees to charge by way of first floating charge all of its present and future:-

- 5.1 assets and undertaking (wherever located) not otherwise effectively charged by way of first fixed mortgage or charge or assigned pursuant to Clause 4.1 (*Fixed charges*), Clause 4.2 (*Security assignments*) or any other provision of this Debenture; and
- 5.2 (whether or not effectively so charged or assigned) heritable property and all other property and assets in Scotland.

6. CONVERSION OF FLOATING CHARGE

6.1 Conversion by notice

The Lender may, by written notice to the Company, convert the floating charge created under this Debenture into a fixed charge as regards all or any of the Company's assets specified in the notice if an event of default has occurred under the terms of the Facility Agreement and is continuing.

6.2 Small companies

The floating charge created under this Debenture shall not convert into a fixed charge solely by reason of a moratorium being obtained in respect of the Company under Schedule A1 of the Insolvency Act 1986 (or anything done with a view to obtaining such a moratorium).

6.3 Automatic conversion

The floating charge created under this Debenture shall (in addition to the circumstances in which the same will occur under general law) automatically and without notice convert into a fixed charge:-

6.3.1 in relation to any asset which is subject to a floating charge if:-

- (a) the Company creates or attempts or purports to create any Security on or over the relevant asset without the prior consent of the Lender; or
- (b) any third party levies or attempts to levy any distress, execution, attachment or other legal process against any such asset; or
- (c) any step is taken (including the presentation of a petition, the passing of a resolution or the making of an application) to appoint a liquidator, provisional liquidator or receiver in respect of the Company, over all or any part of its assets, or if such person is appointed; or
- (d) any other floating charge over the Security Assets is crystallised; and

6.3.2 over all the Company's assets which are subject to a floating charge if an administrator under the Insolvency Act 1986 is appointed in respect of the Company or the Lender receives notice of intention to appoint such an administrator.

6.4 Scottish property

Clause 6.3 (*Automatic conversion*) will not apply to any assets situated in Scotland if, and to the extent that, a Receiver would not be capable of exercising his powers in Scotland pursuant to section 72 of the Insolvency Act 1986 by reason of such automatic conversion.

6.5 Partial conversion

The giving of a notice by the Lender pursuant to Clause 6.1 (*Conversion by notice*) in relation to any class of the Company's assets shall not be construed as a waiver or abandonment of the rights of the Lender to serve similar notices in respect of any other class of assets or of any other right of the Lender.

6.6 Assets acquired post-crystallisation

Any assets acquired by the Company after crystallisation has occurred (and that are not effectively charged by way of legal mortgage or fixed charge, or assigned under this Debenture), shall become subject to the floating charge created by Clause 5 (*Floating charge*) so that the crystallisation shall be effective as if such assets were owned by the Company at the date of crystallisation.

6.7 De-crystallisation of floating charge

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

7. REPRESENTATIONS

7.1 General

The Company makes the representations and warranties set out in this Clause 7 to the Lender on the date of this Debenture and on each day the Secured Liabilities are outstanding.

7.2 Status

7.2.1 It is a limited liability corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.

7.2.2 It and each of its subsidiaries have the power to own their assets and carry on their respective businesses as they are being conducted.

7.3 Binding obligations

7.3.1 Its obligations in this Debenture are legal, valid, binding and enforceable obligations (subject to the Legal Reservations).

7.3.2 The Security Interests which this Debenture purports to create are valid and effective and are not liable to be avoided or otherwise set aside on its liquidation or administration.

7.4 Non-conflict with other obligations

The entry into and performance by it of its obligations under this Debenture and the granting of the Security do not and will not conflict with:-

7.4.1 any law or regulation applicable to it;

7.4.2 its constitutional documents; or

7.4.3 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

7.5.1 It has the power to enter into, perform and deliver, and have taken all necessary action to authorise its entry into, performance and delivery of, this Debenture and the grant of the Security.

7.5.2 No limit on its powers will be exceeded as a result of the grant of the Security.

7.5.3 The Company has not received any warning notice or restriction notice from any company under Part 21A of the Companies Act 2006.

7.6 Validity and admissibility in evidence

7.6.1 Subject to the Perfection Requirements, all Authorisations required or desirable to enable it lawfully to enter into, exercise its rights and comply with its obligations under this Debenture and to grant the Security have been obtained or effected and are in full force and effect.

7.6.2 All Authorisations necessary for the conduct of its business, trade and ordinary activities have been obtained or effected and are in full force and effect.

7.7 Solvency

As at the date of this Debenture it is able to meet its debts as they fall due and is not deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 or any analogous provision in any relevant jurisdiction.

7.8 Environmental Laws

7.8.1 It is complying with any applicable law or regulation which relates to:-

- (a) the pollution or protection of the environment;
- (b) the conditions of the workplace; or
- (c) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the environment, including, any waste,

and it is not aware of any claim which has been commenced or is threatened against it in respect of any breach or alleged breach of any such laws or regulations.

7.8.2 So far as it is aware no dangerous substance has been used, disposed of, generated, stored, dumped, released, deposited, buried or emitted at, on, from or under the Property.

7.9 Security

No Security Interest exists over any of its present or future assets other than as permitted by this Debenture.

7.10 Ranking

The Security has or will have first ranking priority and it is not subject to any prior ranking or pari passu ranking Security Interest.

7.11 Title to assets

It has a good and marketable title to and is the sole legal and beneficial owner of the Security Assets.

7.12 Charities Act

7.13 It is satisfied that:

7.13.1 entering into and performing this Debenture is in the best interests, and for the commercial purposes and benefit, of the Company and the Beneficiary;

7.13.2 it is duly authorised and has the necessary authority pursuant to the terms of the Nominee Arrangements to enter into this Debenture;

7.13.3 it has discharged its obligations pursuant to the provisions of the Charities Act 2011 and in particular, section 124 thereof.

7.14 The land charged pursuant to this Debenture is held by or in trust for the Beneficiary, a non-exempt charity, and each such charge is not one falling within section 124(9) of the Charities Act 2011, so that the restrictions imposed by section 124 of that Act apply.

7.15 Its directors, being the persons who have the general control and management of its administration certify that:

7.15.1 they have power under the trusts of the charity and/or the provisions establishing the charity and regulating its purposes and administration to effect such charges; and

7.15.2 they have obtained and considered such advice as is mentioned in section 124 of the Charities Act 2011.

7.16 Centre of main interest and establishments

For the purposes of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings (the "**Regulation**"), its "*centre of main interest*" (as that term is used in Article 3(1) of the Regulation) is situated in England and Wales and it has no "*establishment*" (as that term is used in Article 2(h) of the Regulation) in any other jurisdiction.

8. GENERAL UNDERTAKINGS

8.1 Negative pledge

The Company shall not create or permit to subsist any Security Interest without the consent of the Lender.

8.2 No disposals

Unless the Lender consents, the Company shall not make any disposal of its assets that are mortgaged, charged or assigned to the Lender by this Debenture even if the disposal is involuntary.

8.3 Covenants and payments

The Company must:-

8.3.1 observe and perform all covenants and other obligations and matters (whether or not contained in any agreement or other document) from time to time affecting any of the Security Assets or their use or enjoyment and on the Lender's reasonable request produce evidence to satisfy the Lender that it is complying with this obligation;

8.3.2 promptly inform the Lender if it becomes aware of any steps taken or proceedings commenced by any person with a view to obtaining forfeiture of or determining any lease, underlease, tenancy or licence comprised in the Security Assets;

8.3.3 not permit any breach of any bye-laws, other laws and regulations affecting any of the Security Assets; and

8.3.4 pay or procure the payment of all rents, rates, taxes, charges, assessments, impositions and other outgoings of any kind which are from time to time payable (whether by the owner or the occupier) in respect of any of the Security Assets.

8.4 Enforcement of rights

The Company must:-

8.4.1 use its best endeavours to ensure prompt observance and performance of the terms of each lease under which it holds a Property by the lessor; and

- 8.4.2 use its best endeavours to enforce any rights and institute, continue or defend any proceedings relating to any of the Security Assets which the Lender may require from time to time,

in each case at the Company's cost.

8.5 Company as Nominees

The Company shall not:

- 8.5.1 seek to amend, or agree to any amendment of, or waive any breach of, the Nominee Arrangement; or
- 8.5.2 enter into any agreement or arrangement in breach of the Nominee Arrangement; or
- 8.5.3 resign or cease to act as a nominee, remove a nominee, or appoint any new nominee; without the prior written consent of the Lender.
- 8.5.4 The Company shall comply with all its obligations under the Nominee Arrangement.

9. INSURANCE UNDERTAKINGS

9.1 Maintenance of insurance

9.2 Maintenance of insurance

- 9.2.1 The Company must ensure that at all times it benefits from insurance against third party and public liability risks and must (or, where a tenant of a Property is obliged to insure the Property under the relevant Lease of the Property, use reasonable endeavours to procure that such tenant of the Property must) ensure that each Property is insured against:-

- (a) loss or damage by fire, storm, tempest, flood, earthquake, lightning, explosion, impact, aircraft (other than hostile aircraft) and other aerial devices and articles dropped from them, riot, terrorism, civil commotion and malicious damage, bursting or overflowing of water tanks, apparatus or pipes, and subsidence; and
- (b) such other risks and contingencies as are insured against in accordance with sound commercial practice or which the Lender may direct from time to time to the full reinstatement value thereof with adequate provision also being made for:-
 - (i) the cost of clearing the site, demolition, shoring or propping up and architects', engineers', surveyors' and other professional fees incidental thereto and value added tax on such costs and fees (together with provision for future inflation); and
 - (ii) the loss of rents or prospective rents for a period of not less than three years or such other period as the Lender may direct and having regard to any potential increases in rent as a result of reviews.

- 9.2.2 The Company must (or, where a tenant of a Property is obliged to insure the Property under the relevant Lease of the Property, use reasonable endeavours to procure that such tenant of the Property must) ensure at all times that all insurance policies:-

- (a) contain a mortgagee clause whereby such insurance policy will not be vitiated or avoided as against a mortgagee or security holder in the event of or as a result of any circumstances beyond the control of that insured party or any misrepresentation, breach of any policy term or condition, act or neglect or

failure to make disclosure on the part of any other insured party or any agent of any other insured party;

- (b) name the Lender as co-insured on a composite basis in respect of its own separate insurable interest (other than in respect of any public liability and third party liability insurance policies) but without:
 - (i) any liability on the part of the Lender for any premium in relation to those insurance policies (unless the Lender has expressly and specifically requested to be made liable in respect of any increase in premium or unpaid premium in respect of any of those insurance policies); or
 - (ii) any obligation on the part of the Lender to make any disclosure to any insurer or any insurance broker in relation to those insurance policies unless and until the Lender becomes a mortgagee in possession of any Property, in which circumstance an obligation shall apply on the part of the Lender to make disclosure to any insurer or any insurance broker in relation to the insurance policy or policies in respect of that Property pursuant to the terms of that insurance policy or policies;
- (c) contain a loss payee clause under which the Lender is named as first loss payee in respect of any claim or series of connected claims in excess of £50,000 (other than in respect of any claim under any public liability and third party liability insurances);
- (d) contain a "tenant's clause" in the following or similar terms:-

"The insurance hereby effected shall not be prejudiced by any act or omission unknown to or beyond the control of the insured on the part of any tenant occupying or using the premises, provided that the insured immediately on becoming aware thereof shall give notice to the insurers and pay an additional premium if required"
- (e) contain terms providing that each insurer must give at least 30 days' notice to the Lender if it proposes to:-
 - (i) repudiate, rescind or cancel any insurance policy;
 - (ii) treat any insurance policy as avoided in whole or in part;
 - (iii) treat any insurance policy as expired due to non-payment of premium; or
 - (iv) otherwise decline any claim under any insurance policy by or on behalf of any insured party,

and, in respect of Clause 9.2.2(e)(iii) above, must in the notice give the Lender the opportunity to rectify any such non-payment of premium within the notice period; and

- (f) contain terms providing that although the Lender shall have a duty of disclosure to the insurance company or underwriters where the Lender becomes a mortgagee in possession of a Property in accordance with Clause 9.2.2(b)(ii), the Lender cannot be held responsible for anything which it is not aware of and which has not been disclosed to the insurance company or underwriters;
- (g) contain a waiver of the rights of subrogation of the insurer as against each Obligor, the Lender and the tenants of each Property;

- (h) are in an amount and form acceptable to the Lender; and
 - (i) are with an insurance company or underwriters acceptable to the Lender.
- 9.2.3 The Company must be free to assign or otherwise grant Security Interests over all amounts payable to it under each insurance policy (unless such insurance policy has been obtained by a tenant of a Property under the terms of a Lease of that Property) and all its rights in connection with those amounts in favour of the Lender.
- 9.2.4 If the Lender requests, the Company must promptly provide (or, where a tenant is obliged to insure the Property under the Lease, promptly use reasonable endeavours to procure that any tenant of the Lease of the Property provides) a copy of each insurance policy together with evidence of payment of the premiums and such other information in connection with the insurance policies as the Lender requests.
- 9.2.5 If the Lender considers that the amount insured, or the risks covered, by any insurance policy is/are inadequate, the Company must increase (or, where a tenant is obliged to insure the Property under the Lease, use reasonable endeavours to procure that the tenant under the Lease of the Property increases) the amount insured and/or require the category of risks covered to be amended to such extent and in such manner as the Lender considers appropriate.
- 9.2.6 The Company must (or, where the tenant of the Property obliged to insure under the relevant Lease, use reasonable endeavours to procure that any tenant of the Lease of the Property must):-
- (a) comply with the terms of the insurance policies;
 - (b) ensure that all things necessary to keep all the insurance policies in force are done promptly including the punctual payment of premiums; and
 - (c) promptly notify the Lender of premiums paid, renewals made, material variations and cancellations of insurance policies made or, to the knowledge of the insured, threatened or pending and any claim or any actual or threatened refusal of a claim.
- 9.2.7 The Company must not allow anything to occur which may make any insurance policy void or voidable.
- 9.2.8 If a Company does not comply, or if any party procuring any insurance policies in relation to the Property fails to procure and maintain insurance policies that are in form and substance satisfactory to the Lender, the Lender may (without any obligation to do so) effect or renew any such insurance policy either in its own name, or together with a Company in such sum and on such terms as the Lender may reasonably think expedient and all monies expended by the Lender will be deemed to be properly paid by the relevant person and shall be reimbursed by the Company on demand.
- 9.2.9 Application of insurance monies**
- The Company must apply sums received under any insurance policy (and use reasonable endeavours to ensure that any third party recipient of any sums received under any insurance policy applies such sums) as follows:
- 9.2.10 If a Company or a tenant under a Lease of the Property is required by a Lease or the terms of the relevant insurance policy to apply the sums in a particular way, then it must do so;
 - 9.2.11 amounts received under liability policies held by a Company which are required by that Company to satisfy established liabilities of a Company to third parties must be used to satisfy these liabilities;

9.2.12 the proceeds of any loss of rent insurance will be treated as Rental Income and applied in such manner as the Lender (acting reasonably) requires to have effect as if it were Rental Income received over the period of the loss of rent; and

9.2.13 otherwise the Company must pay all insurance sums received into the Disposals Account or the General Account (as the Lender requires) and either:-

(a) in the first instance, apply the sums towards making good the loss or damage to which they relate; or

if (a) above has not occurred within a reasonable period for making good such damage and loss following receipt of the insurance monies, at the option of the Lender apply the sums towards prepayment of the Loan.

10. PROPERTY UNDERTAKINGS

10.1 Property management

10.1.1 The Company must diligently manage or procure the management of the Property in accordance with the principles of good estate management and promptly notify the Lender of any material default by any lessee or other occupier of the Property and use all reasonable endeavours to enforce the performance and observance of the obligations on the part of any lessee under any Lease.

10.1.2 If the Company fails, or the Lender considers that it has failed, at any time to comply with the obligations in Clause 10.1.1 above, it shall be lawful for the Lender to carry out such works and take such steps as it may determine (acting reasonably) are necessary to remedy and rectify the failure, the fees, costs and expenses of such action to be reimbursed by the Company to the Lender upon demand.

10.1.3 The Company must promptly notify the Lender in writing if it becomes aware of any steps taken or proceedings commenced by any person with a view to obtaining forfeiture of or determining any Lease.

10.1.4 Nothing in this Clause shall render the Lender liable to account as mortgagee in possession.

10.2 Leases

In addition to the restrictions in Clause 8.2 (*No disposals*) the Company must not:-

10.2.1 grant any Lease;

10.2.2 terminate (whether by surrender, forfeiture or otherwise) any Lease;

10.2.3 vary any terms of or waive any rights it has under any Lease;

10.2.4 agree to any rent reviews (other than upwards only) or any concession or reduction of rent in respect of, any Lease; or

10.2.5 consent to any assignment or sub-letting of any lessee's interest under any Lease (save where no consent is required under the terms of that Lease),

without the Lender's prior consent and may not enter into any agreement to do so, save that the Lender's consent shall:

(a) in relation to Clause 10.2.5, not be unreasonably withheld or delayed to the extent that the consent of the relevant Borrower is not to be unreasonably withheld or delayed under the terms of that Lease; and

- (b) in relation to Clauses 10.2.1 to 10.2.4 (inclusive), not be required where the annual rent under such Lease is less than £100,000 per annum.

10.3 Works

The Company must ensure that no person:-

- 10.3.1 demolishes any buildings or erections on the Property;
- 10.3.2 makes any structural alteration to any Property; or
- 10.3.3 removes any fixtures from any Property,

without the prior consent of the Lender.

10.4 Repair

- 10.4.1 The Company must ensure (or, where such obligations under a Lease are the responsibility of the relevant tenant, must use reasonable endeavours to procure) that all buildings and erections from time to time upon any Property and all fittings, plant and machinery on that Property are in, and maintained in:-

- (a) good and substantial repair and condition and, as appropriate, in good working order; and
- (b) such repair, condition and order as to enable them to be let in accordance with all applicable laws and regulations. For this purpose, a law or regulation will be regarded as applicable if it is either:
 - (i) in force; or
 - (ii) it is expected to come into force and a prudent property owner in the same business as the Company would ensure that its buildings, plant and machinery, fixtures and fittings were in such condition, repair and order in anticipation of that law or regulation coming into force,

and when necessary the Company shall replace, or procure the replacement of, the same with items of similar quality and value.

- 10.4.2 When a Property, or any part of a Property, is to become subject to any new Lease or renewal Lease or, if earlier, becomes vacant and available for letting the Company must carry out any energy efficiency improvements necessary, or take any other steps necessary, to ensure that at all times each part of any Property which is designed to be let can be let or can continue to be let without breaching any applicable laws or regulations in respect of minimum levels of energy efficiency for properties.

10.5 Pay outgoings

The Company must ensure all rates, rents, outgoings and other sums payable out of or in respect of the Property are promptly paid.

10.6 Development of Property

- 10.6.1 Without the prior written consent of the Lender, no Company shall in respect of any Property:-
 - (a) carry out or permit to be carried out any development for which planning permission is required;

- (b) make (or permit others to make) any application for planning permission; or
- (c) implement any planning permission.

10.6.2 The Company shall (and shall procure that each other Obligor will) comply in all respects with all planning laws, permissions, agreements and conditions to which any Property is subject.

10.7 New acquisitions of land

The Company must:-

- 10.7.1 give the Lender as much prior notice as possible of a proposed acquisition of any Security Asset which may fall within the security created by Clause 4.1 (*Fixed charges*); and
- 10.7.2 at its cost, execute and deliver a charge by way of first legal mortgage in favour of the Lender of any freehold or leasehold property which becomes vested in it after the date of this Debenture.

10.8 Registration at the Land Registry

- 10.8.1 The Company must do all things to facilitate the registration of this Debenture against any relevant title registered at the Land Registry.
- 10.8.2 The Company consents to an application being made by the Lender to the Land Registrar for the following restriction to be registered against its title to the Property in the following terms:-

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [], in favour of HSBC Bank plc referred to in the charges register".
- 10.8.3 The Company must not permit any other person to be registered at the Land Registry as proprietor of any Property.
- 10.8.4 The Company must not, without the prior written consent of the Lender, create or permit to arise any interest which falls within any of the paragraphs of schedule 3 of the Land Registration Act 2002 or any interest preserved by the transitional provisions of schedule 12 of the Land Registration Act 2002 to the extent and for so long as any interest is so preserved in or over the Property.

10.9 Title documents

The Company must deposit with the Lender immediately all title documents, planning and statutory consents from time to time relating to the Security Assets.

10.10 VAT

The Company shall not alter the VAT status of the Property.

10.11 Notices received

The Company must:-

- 10.11.1 provide to the Lender a copy of any notice or order (or any proposal for a notice or order) given, issued or made by any local or other authority relating to any of the Security Assets;

10.11.2 take all necessary steps to comply with that notice, order or proposal; and

10.11.3 make or join in making any representations which the Lender requests in respect of the notice, order or proposal.

10.12 Compensation

Any compensation received as a result of a notice, order or proposal must be held on trust for the Lender, and promptly paid to the Lender who shall apply the sums needed in discharge of the Secured Liabilities as it thinks fit.

10.13 Negotiations with local or other authority

The Company shall not conduct any negotiations or make any agreement with any local or other authority concerning the acquisition of any of the Security Assets without the consent of the Lender.

10.14 Entry

10.14.1 Subject to the terms of any Lease, the Lender (and anyone authorised by the Lender) may enter the Property to verify that the Company has performed all of its obligations under this Debenture and to take any action that the Lender may consider necessary or desirable to prevent or remedy any breach of the provisions of this Debenture.

10.14.2 Subject to Clause 10.14.4 the right to enter shall be exercised within normal working hours upon reasonable notice and may be made with or without workmen, plant and materials.

10.14.3 Exercise of the right of entry shall not cause the Lender or any person authorised by it to be liable as a mortgagee in possession.

10.14.4 The right to entry may be made at any time without notice in the case of emergency subject to the terms of any Lease.

11. UNDERTAKINGS RELATING TO SHARES

11.1 Deposit of certificates and transfers

11.1.1 The Company must ensure that the following documents are deposited with the Lender:-

- (a) all stock and share certificates and documents of title relating to the Shares;
- (b) transfers of the Shares duly completed in favour of the Lender or otherwise as the Lender may direct; and
- (c) any other documents which the Lender may from time to time require for perfecting title to the Shares (duly executed by or signed on behalf of the registered holder) or for vesting or enabling the Lender to vest those Shares in itself, its nominees or in any purchaser.

11.1.2 The Company must execute such documents, pass such resolutions or take such other action as is necessary to protect the Lender's title to the Shares.

11.1.3 The Company must ensure that all or any of the Shares are transferred into the name of the Lender, its nominee or agent on request.

11.2 No share issues

The Company shall (to the extent within its power) ensure that without the Lender's prior consent, no company whose share capital includes or comprises the Shares will:-

- 11.2.1 issue or allot any shares or other securities or enter into or permit any agreement or other arrangement to make, or entitle any person to call for, an issue or allotment of that company's shares or other securities;
- 11.2.2 in any way modify the rights attached to any of the shares in its issued share capital;
- 11.2.3 increase, consolidate, sub-divide or reduce its share capital;
- 11.2.4 alter its articles of association;
- 11.2.5 purchase its own shares or reduce its share capital; or
- 11.2.6 take any step to place itself in liquidation or administration or pass any resolution to wind itself up.

11.3 Calls

The Company shall ensure all calls, instalments or other payments which may be made or become due in respect of the Shares are punctually met as and when the same become due from time to time.

11.4 Persons with significant control

- 11.4.1 The Company shall respond promptly (and in any event within the time required by law) to any request for information or notice served on it by a company under or pursuant to Part 21A of the Companies Act 2006.
- 11.4.2 The Company shall promptly upon receipt provide to the Lender a copy of any warning notice or restriction notice served on it in respect of any Shares under Part 21A of the Companies Act 2006.

12 UNDERTAKINGS RELATING TO MONETARY CLAIMS

- 12.1 The Company shall get in and realise the Monetary Claims in the ordinary course of business and pay the proceeds of those Monetary Claims into an Account (or, where the Lender so requires, into a Blocked Account or an Assigned Account).
- 12.2 The Company shall not at any time during the subsistence of this Debenture, without the prior written consent of the Lender, sell, factor, discount, transfer, assign, lend or otherwise dispose of any of the Monetary Claims or enter into any agreement to do so.
- 12.3 If and to the extent that the Lender so specifies, at any time after the Security created under this Debenture has become enforceable, the Company shall pay the proceeds of payment or realisation of its assets comprising temporary and other investments, book and other debts, royalties, fees and income of like nature or other moneys received by it as the Lender may require into such Account(s) as the Lender may from time to time specify and pending such payment shall hold all such receipts on trust for the Lender.

13 FURTHER ASSURANCE

- 13.1 The Company shall at its own expense ensure any documents are executed and any acts and things are done which the Lender may reasonably require from time to time for:-
 - 13.1.1 giving effect to, perfecting or protecting the Security;

- 13.1.2 facilitating the realisation of any Security Asset;
 - 13.1.3 granting and perfecting new Security following any addition to or renewal, replacement, redesignation, subdivision, substitution or sub-account of any Account;
 - 13.1.4 facilitating the exercise of all powers, authorities and discretions vested in the Lender or in any Receiver; or
 - 13.1.5 perfecting any Security over any assets acquired by the Company after the date of this Debenture.
- 13.2 If the Lender exercises all or any of its rights pursuant to clause 22.18(a) of the Facility Agreement, the Company shall, if requested by the Lender, cooperate with the Lender and/or any Receiver or delegate in respect of the sale or disposal of any of the Security Assets with a view to ensuring such sale disposal can be made in accordance with sections 117 and 119 of the Charities Act 2011 (and otherwise in compliance with all such laws) so as to obviate the necessity to seek and obtain the approval of the Charity Commission and/or the court.
- 14. ENFORCEMENT**
- 14.1 Remedying defaults**
- The Lender or a Receiver may (but is not obliged to) take any action to remedy a failure by the Company to observe and perform the provisions of this Debenture at the Company's cost.
- 14.2 Timing of enforcement**
- 14.2.1 The Secured Liabilities are deemed to have become due on the date of this Debenture.
 - 14.2.2 Subject to any grace or standstill period set out in and in accordance with the Facility Agreement, the Security shall become enforceable on the earlier of:-
 - (a) the date the Lender demands repayment of any of the Secured Liabilities;
 - (b) the date the Company breaches a provision of this Debenture or any document evidencing the facilities to which the Secured Liabilities relate;
 - (c) the occurrence of any event causing, or purporting to cause, the floating charge created by this Deed to become fixed in relation to any Secured Asset; or
 - (d) the Company's request.
 - 14.2.3 Neither section 93(1) nor section 103 of the Law of Property Act 1925 shall apply to this Debenture.
- 14.3 Powers of the Lender**
- 14.3.1 At any time after the Security becomes enforceable or if requested by the Company, the Lender may without further notice (unless required by law):-
 - (a) appoint any person (or persons) to be a receiver, receiver and manager or administrative receiver of all or any part of the Security Assets and/or of the income of the Security Assets; and/or
 - (b) appoint or apply for the appointment of any person who is appropriately qualified as the Company's administrator; and/or
 - (c) exercise all or any of the powers conferred on mortgagees by the Law of Property Act 1925 (as amended or extended by this Debenture) and/or all or

any of the powers which are conferred by this Debenture on a Receiver, in each case without first appointing a Receiver or notwithstanding the appointment of any Receiver; and/or

- (d) exercise (in the Company's name) any voting rights and any powers or rights which may be exercised by the Company in relation to the Shares.

14.3.2 The Lender is not entitled to appoint a Receiver in respect of any Security Assets which are subject to Security which (as created) was a floating charge solely by reason of a moratorium being obtained under Schedule A1 to the Insolvency Act 1986 or anything done with a view to obtaining such a moratorium.

14.4 No liability

Neither the Lender nor any Receiver shall be liable as a mortgagee in possession or otherwise to account in relation to the Security Assets for any loss on realisation or for any other default or omission. No exercise of the right in Clause 14.1 (*Remedying defaults*) shall render the Lender or a Receiver a mortgagee in possession.

15. RECEIVER

15.1 Removal and replacement

The Lender may from time to time remove any Receiver appointed by it (subject, in the case of an administrative receivership, to section 45 of the Insolvency Act 1986) and, whenever it may deem appropriate, may appoint a new Receiver in the place of any Receiver whose appointment has terminated.

15.2 Multiple Receivers

If at any time there is more than one Receiver of all or any part of the Security Assets and/or the income of the Security Assets, each Receiver shall have power to act individually (unless otherwise stated in the appointment document).

15.3 Remuneration

Any Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and the Lender (or, failing such agreement, to be fixed by the Lender) and section 109(6) of the Law of Property Act 1925 shall not apply.

15.4 Payment by Receiver

Only monies actually paid by a Receiver to the Lender in relation to the Secured Liabilities shall be capable of being applied by the Lender in discharge of the Secured Liabilities.

15.5 Company's agent

Any Receiver shall be the Company's agent and the Company shall (subject to the Companies Act 2006 and the Insolvency Act 1986) be solely responsible for his acts and defaults and for the payment of his remuneration. The Lender shall not incur any liability (either to the Company or to any other person) by reason of the appointment of a Receiver or for any other reason.

16. POWERS OF RECEIVER

16.1 General Powers

16.1.1 Any Receiver shall have:-

- (a) all the powers which are conferred by the Law of Property Act 1925 on mortgagees in possession and receivers appointed under that Act but without

the restrictions contained in sections 103 or 109(1) of the Law of Property Act 1925;

(b) (whether or not he is an administrative receiver) all the powers which are listed in schedule 1 of the Insolvency Act 1986; and

(c) all powers which are conferred by any other law conferring power on receivers.

16.1.2 To the extent that the Security Assets constitute "*financial collateral*" and this Debenture and the Company's obligations under this Debenture constitute a "*security financial collateral arrangement*" (in each case for the purpose of and as defined in the Financial Collateral Arrangements (No.2) Regulations 2003 (SI 2003/3226)) each Receiver and the Lender shall have the right after this Security has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Liabilities.

16.1.3 For the purpose of Clause 16.1.2, the value of the financial collateral appropriated shall be such amount as the Receiver or Lender reasonably determines having taken into account advice obtained by it from an independent investment or accountancy firm of national standing selected by it.

16.2 Additional Powers

In addition to the powers referred to in Clause 16.1 (*General Powers*), a Receiver shall have the following powers:-

16.2.1 to take possession of, collect and get in all or any part of the Security Assets and/or income in respect of which he was appointed;

16.2.2 to manage the Security Assets and the Company's business as he thinks fit;

16.2.3 to redeem any Security Interest and to borrow or raise any money and secure the payment of any money in priority to the Secured Liabilities for the purpose of the exercise of his powers and/or defraying any costs or liabilities incurred by him in such exercise;

16.2.4 to enter into, terminate or vary any Hedging Agreement;

16.2.5 to sell or concur in selling, leasing or otherwise disposing of all or any part of the Security Assets in respect of which he was appointed without the need to observe the restrictions imposed by section 103 of the Law of Property Act 1925, and, without limitation:-

(a) fixtures may be severed and sold separately from the Property containing them, without the Company's consent;

(b) the consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration (and the amount of such consideration may be dependent upon profit or turnover or be determined by a third party); and

(c) any such consideration may be payable in a lump sum or by instalments spread over such period as he thinks fit;

16.2.6 to alter, improve, develop, complete, construct, modify, refurbish or repair any building or land and to abandon, complete or undertake or concur in the completion or undertaking (with or without modification) of any project in which the Company was concerned or interested before his appointment (being a project for the alteration, improvement, development, completion, construction, modification, refurbishment or repair of any building or land);

- 16.2.7 to carry out any sale, lease or other disposal of all or any part of the Security Assets by conveying, transferring, assigning or leasing the same in the Company's name and, for that purpose, to enter into covenants and other contractual obligations in the Company's name and so as to bind it;
- 16.2.8 to take any such proceedings in the Company's name as he shall think fit in respect of the Security Assets and/or income in respect of which he was appointed (including proceedings for recovery of rent or other monies in arrears at the date of his appointment);
- 16.2.9 to exercise any voting rights attached to any of the Security Assets;
- 16.2.10 to enter into or make any such agreement, arrangement or compromise as he shall think fit;
- 16.2.11 to insure, and to renew any insurances in respect of, the Security Assets as he shall think fit (or as the Lender shall direct);
- 16.2.12 to appoint and employ such managers, officers and workmen and engage such professional advisers as he shall think fit (including, without prejudice to the generality of the foregoing power, to employ any firm, partner, company or other entity with which he is associated);
- 16.2.13 to form one or more subsidiaries of the Company and to transfer to any such subsidiary all or any part of the Security Assets;
- 16.2.14 to operate any rent review clause in respect of any Property in respect of which he was appointed and to apply for any new or extended lease; and
- 16.2.15 to:-
 - (a) give valid receipts for all monies and to do all such other things as may seem to him to be incidental or conducive to any other power vested in him or necessary or desirable for the realisation of any Security Asset;
 - (b) exercise in relation to each Security Asset all such powers and rights as he would be capable of exercising if he were the absolute beneficial owner of the Security Assets; and
 - (c) use the Company's name for any of the above purposes.

16.3 Limitation

- 16.3.1 The Lender may in the instrument by which a Receiver is appointed limit the powers of the Receiver.
- 16.3.2 The Receiver shall be under no duty to the Company to exercise any power he may have and shall not incur any liability to the Company either by virtue of the exercise of such powers or by virtue of a failure to exercise such powers.

17. APPROPRIATION OF RECEIPTS

17.1 Application

- 17.1.1 Subject to Clause 17.2 (*Suspense account*), any monies received by the Lender in respect of the Security (subject to the payment of any claims having priority to the Security, but in substitution for section 109(8) of the Law of Property Act 1925) shall be applied in the following order of priority:-

- (a) in discharging the remuneration of any Receiver and all costs, charges and expenses of and incidental to his or her appointment;
- (b) in or towards payment or discharge of the Secured Liabilities; and
- (c) in payment of the surplus (if any) to the Company or other person entitled to it.

17.1.2 The Lender may apply sums received towards the payment or discharge of the Secured Liabilities in reduction of any part of the Secured Liabilities in any order or manner as it thinks fit. The Lender may override any appropriation made by the Company.

17.2 **Suspense account**

Any monies received by the Lender or any Receiver may be placed in an interest bearing suspense or securities realised account and kept there for so long as the Lender considers prudent.

18. **SET-OFF**

18.1 The Lender may (but shall not be obliged to) set off any obligation which is due and payable by the Company and unpaid or any contingent obligation from the Company against any obligation (whether or not matured) owed by the Lender to the Company, regardless of the place of payment, booking branch or currency of either obligation.

18.2 If either obligation is unliquidated or unascertained, the Lender may set off in an amount estimated by it in good faith to be the amount of that obligation.

19. **CURRENCY CONVERSION**

All monies received or held by the Lender or any Receiver under this Debenture may be converted from their existing currency into such other currency as the Lender or the Receiver considers necessary or desirable to cover the obligations and liabilities comprised in the Secured Liabilities in that other currency at the Lender's spot rate of exchange.

20. **NEW ACCOUNT**

If the Lender receives or is deemed to be affected by notice (whether actual or constructive) of any subsequent Security Interest affecting some or all of the Security Assets or their proceeds of sale, then the Lender may open a new account for the Company. If it does not do so, it shall nevertheless be treated as if it had done so at the time when it received, or was deemed to have received, the notice. As from that time, any payment made to the Lender for the Company's account shall be credited (or be treated as having been credited) to the new account and shall not operate to reduce the amount for which the Security applies.

21. **DELEGATION AND APPOINTMENT OF ATTORNEYS**

21.1 **Delegation**

21.1.1 The Lender may delegate to any person or persons all or any of the powers, authorities and discretions which are exercisable under this Debenture. A delegation may be made in any manner (including by power of attorney) in and on any terms (including power to sub-delegate) which the Lender thinks fit.

21.1.2 The Lender shall not be liable or responsible to the Company for any loss or damage arising from any act, default, omission or misconduct on the part of any of its delegates or sub-delegates.

21.2 Attorneys

21.2.1 By way of security, the Company irrevocably appoints the Lender, every Receiver and every delegate or sub-delegate appointed under Clause 21.1 (*Delegation*) separately to be its attorney on its behalf, in its name:-

- (a) to execute and do any documents, acts and things which it is required to execute and do under this Debenture or any other document relating to the Secured Liabilities; and
- (b) to execute and do any documents, acts and things which any attorney may deem proper or desirable in exercising any powers, authorities and discretions conferred by this Debenture any documents relating to the Secured Liabilities or by law on the Lender or any Receiver.

21.2.2 The Company ratifies and confirms anything which any of its attorneys does in the proper and lawful exercise or purported exercise of all or any of the powers, authorities and discretions referred to in this Clause 21.2 (*Attorneys*).

22. REDEMPTION OF PRIOR SECURITY INTERESTS

22.1 Redemption

The Lender may at any time redeem, or procure the transfer to it of, any prior Security Interest over any Security Assets at the Company's cost.

22.2 Costs of redemption

All principal monies, interest, costs, charges and expenses incurred in and incidental to any redemption or transfer under Clause 22.1 (*Redemption*) shall be paid by the Company on demand, in each case together with interest calculated and in the manner referred to in Clause 26 (*Indemnities*).

23. RELEASES

23.1 Releases conditional

23.1.1 Any release, settlement, discharge, re-assignment or arrangement in respect of the Security (in this Clause 23, a "**release**") made by the Lender on the faith of any assurance, security or payment shall be conditional on that assurance, security or payment not being avoided, reduced, clawed back or ordered to be repaid under any law relating to liquidation, bankruptcy or insolvency.

23.1.2 If any avoidance, reduction, or clawback occurs or any order is made as referred to in Clause 23.1, then the release shall have no effect and shall not prejudice the Lender's right to enforce the Security in respect of the Secured Liabilities. As between the Company and the Lender, the Security shall (notwithstanding the release) be deemed to have remained at all times in effect and held by the Lender as security for the Secured Liabilities.

23.2 Retention

23.2.1 If and for so long as any assurance, security or payment as is mentioned in Clause 23.1 (*Releases conditional*) remains in the reasonable opinion of the Lender susceptible of being avoided, reduced, clawed back or ordered to be repaid under any law relating to liquidation, bankruptcy or insolvency, the Lender may in its absolute discretion retain all or part of the Security and other rights under this Debenture as security for the Secured Liabilities after they have been paid and discharged in full.

23.2.2 If, at any time while all or part of the Lender's rights under this Debenture are so retained:-

- (a) an application is made to a competent court for a winding-up order to be made in respect of the Company;
- (b) steps are taken to wind the Company up;
- (c) an application is made to a competent court for an administration order to be made in respect of the Company;
- (d) a notice of intention to appoint an administrator to the Company is filed at court; or
- (e) the appointment of an administrator to the Company takes effect,

then the Lender may continue to retain all or part of its rights under this Debenture for any further period as the Lender may determine in its absolute discretion.

24. CONTINUING SECURITY

24.1 Continuing security

The Security is continuing security and shall secure the ultimate balance of the Secured Liabilities, notwithstanding:-

- 24.1.1 intermediate payment or discharge of the whole or part of the Secured Liabilities;
- 24.1.2 the Company's liquidation or other incapacity or any change in its constitution, name or style;
- 24.1.3 any change in the Lender's constitution, name or style, its absorption in or amalgamation with any other person or the acquisition of all or part of its undertaking by any other person; or
- 24.1.4 any other event, matter or thing.

24.2 Additional to other rights

The Security is in addition to (and shall not merge with, otherwise prejudice or affect or be prejudiced or affected by) any other remedy, guarantee, indemnity, Security Interest or other right which may be or have been created (by the Company or otherwise) in favour of the Lender. Accordingly, the Company's liability under this Debenture shall not be prejudiced or affected by, and this Debenture may be enforced notwithstanding:-

- 24.2.1 the existence or invalidity of all or any of those rights; or
- 24.2.2 at any time, the Lender exchanging, releasing, varying, abstaining from perfecting or enforcing or otherwise dealing or omitting to deal with all or any of those rights.

25. THIRD PARTY PROTECTION

No purchaser, mortgagee or other person dealing with the Lender or a Receiver shall be concerned:-

- 25.1 to enquire whether any of the Secured Liabilities have become due or payable or remain unpaid or undischarged;

- 25.2 whether the power which the Lender or Receiver is purporting to exercise has become exercisable; or
- 25.3 to see to the application of any money paid to the Lender or to a Receiver.

26. **INDEMNITIES**

The Company agrees to fully indemnify the Lender and any Receiver (and in the case of legal costs and expenses on a solicitor and own client basis) on demand against all liabilities, losses, claims, actions, damages, costs and expenses incurred by, made or brought against the Lender or Receiver (or any manager or agent appointed by the Lender or Receiver):-

- 26.1 as a result of the Company's failure to perform any of its obligations under this Debenture;
- 26.2 in the exercise (or purported exercise) of any of the powers or other rights conferred by this Debenture;
- 26.3 in respect of any costs, charges or expenses incurred in connection with Clause 19 (*Currency conversion*);
- 26.4 in respect of the redemption of any prior Security Interest over any Security Asset under Clause 22 (*Redemption of prior security interests*);
- 26.5 as a result of the Company's breach of any current or other obligation or matter relating to the Property; or
- 26.6 in respect of any other matter or thing done or omitted relating to the Security Assets,

together in each case with interest at the Interest Rate calculated on a daily basis from the date it is incurred or becomes payable to the Lender or the Receiver until the date of payment, whether before or after any judgment.

27. **CALCULATIONS AND CERTIFICATES**

Any certificate of or determination by the Lender specifying the amount of the Secured Liabilities is, in the absence of manifest error, conclusive evidence against the Company of the matters to which it relates.

28. **PARTIAL INVALIDITY**

All the provisions of this Debenture are severable and distinct from one another and if at any time any provision is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of any of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

29. **REMEDIES AND WAIVERS**

No failure to exercise nor any delay in exercising any right or remedy under this Debenture against the Company shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise, or the exercise of any other right or remedy. The rights and remedies provided are cumulative and not exclusive of any rights or remedies provided by law.

30. **AMENDMENTS AND WAIVERS**

Any provision of this Debenture may be amended only if the Company and the Lender agree in writing and any breach of this Debenture may be waived before or after it occurs only if the Lender so agrees in writing. A waiver given or consent granted by the Lender under this Debenture will be

effective only if given in writing and then only in the instance and for the purpose for which it is given.

31. TRANSFER AND CONFIDENTIALITY

31.1 Transfer

31.1.1 The Lender may assign and/or transfer its rights and obligations under this Debenture.

31.1.2 The Company shall not assign any of its rights or transfer any of its obligations under this Debenture.

31.2 Confidentiality

The Lender may disclose to:-

31.2.1 any transferee or potential transferee;

31.2.2 any assignee or potential assignee;

31.2.3 any person with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to or including the Secured Liabilities;

31.2.4 any ratings agency;

31.2.5 any of the officers, directors, employees, professional advisers, auditors, partners and representatives of the persons referred to in sub-clauses 31.2.1 to 31.2.4;

31.2.6 any of its Affiliates and to any of its or their officers, directors, employees, professional advisers, auditors, partners and representatives;

31.2.7 any person to whom information is required or requested to be disclosed by any court of a competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;

31.2.8 any person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes; and

31.2.9 any insurance company or underwriters in relation to the insurance of any of the properties,

such confidential information as the Lender shall consider appropriate if, in relation to Clause 31.2.1 to 31.2.3 (inclusive) and Clause 31.2.5 above, the person to whom the confidential information is to be given has entered into a Confidentiality Agreement except that there shall be no requirements for a Confidentiality Agreement if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the confidential information or is otherwise bound by requirements of confidentiality in relation to the confidential information they receive.

32. NOMINEE MATTERS

32.1 By their execution of this Deed the Company (on behalf of itself and so as to bind any successor nominee(s) appointed from time to time) hereby irrevocably and unconditionally:

32.1.1 confirms that it has executed this Deed for itself and as nominee, with the intention of binding (and so as to bind):

- (a) the Nominee Assets; and
- (b) any successor nominee(s) appointed from time to time in accordance with the Facility Agreement; and

32.1.2 acknowledges and agrees that until the Secured Liabilities are repaid in full:

- (a) the Secured Liabilities;
- (b) any Security (including under this Deed); and
- (c) the rights of the Lender to (and to be indemnified out of) the proceeds of disposal, realisation and/or enforcement of any Security Assets;

shall, in each case, rank for all purposes in priority to any present or future rights or remedies that any Company or other nominee(s) have or may have (whether by way of lien, trustee/nominee indemnity, at law, the Nominee Arrangements, or otherwise howsoever) in respect of the Security Assets; and

32.1.3 (without limitation to the generality of the foregoing) waives any present or future right of any Company or other nominee(s) to claim against or be indemnified out of the Security Assets, in each case in priority to (or in competition with) the Lender and/or any Receiver or other insolvency officer appointed thereby under or pursuant to this Deed or the other Finance Documents.

32.2 By their execution of this Deed the Company irrevocably and unconditionally directs the Lender to apply the Loan in favour of the Borrowers in accordance with the terms of the Nominee Arrangements.

33. COUNTERPARTS

This Debenture may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same instrument and any party may enter into this Debenture by executing a counterpart.

34. NOTICES

34.1 Communications in writing

Any communication to be made under or in connection with this Debenture shall be made in writing in the English language and, unless otherwise stated, must be made by letter.

34.2 Addresses

The Lender may deliver any communication, document or notice to the Company relating to this Debenture to its registered office, to any address to which a notice under any facility relating to the Secured Liabilities might be sent or any additional address the Company may notify to the Lender by not less than five business days' notice.

34.3 Delivery

34.3.1 Subject to the terms of Clause 27.3 (Delivery) of the Facility Agreement, any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective when it has been left at the relevant address or the date on which it has been delivered by courier or guaranteed postal delivery at the relevant address (and the signature of the courier's or post office's representative confirming the date and time of delivery shall be conclusive) or 3 business days after being deposited in the post, postage prepaid, in an envelope addressed to it at that address.

- 34.3.2 The Lender shall use reasonable endeavours to send a copy of any communication or document made or delivered by the Lender to a Company under or in connection with this Deed by e-mail to WGCP@fladgate.com and Joel@wgcp.co.uk or such other replacement e-mail addresses (but no more than two) as may be notified by the Company to the Lender in writing from time to time but provided that failure by the Lender to send a copy of any communication or document by e-mail pursuant to this clause 34.3.2 shall not invalidate the service or effective delivery of the same pursuant to, or otherwise prejudice the operation of, clause 34.3.1.
- 34.3.3 The Company shall procure that any e-mail address to which the Lender shall send a copy of any communication or document pursuant to clause 34.3.2 shall be maintained.
- 34.3.4 Any communication or document to be made or delivered to the Lender will be effective only when actually received by the Lender and then only if it is expressly marked for the attention of the department or officer identified with Lender's signature below (or any substitute department or officer as the Lender shall specify for this purpose).

35. GOVERNING LAW

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

36. ENFORCEMENT

36.1 Jurisdiction

- 36.1.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Debenture (including disputes regarding the existence, validity or termination of this Debenture, the Security Interests intended to be created by it or any non-contractual obligations arising out of or in connection with it) (a "Dispute").
- 36.1.2 The Company agrees that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly it will not argue to the contrary.
- 36.1.3 This Clause 36.1 is for the benefit of the Lender only. The Lender may take proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Lender may take concurrent proceedings in any number of jurisdictions.

IN WITNESS whereof the Company has executed this Debenture as a deed the year and date appearing on the first page of it

SCHEDULE 1

SHARES

Deliberately left blank

SCHEDULE 2

ACCOUNTS

BLOCKED ACCOUNTS

Account number	Account name	Account bank	Sort code
██████	Cure Account	HSBC Bank plc	██████
██████	Rent Account	HSBC Bank plc	██████
██████	Deposit Account	HSBC Bank plc	██████

ASSIGNED ACCOUNTS (other than Blocked Accounts)

Account number	Account name	Account bank	Sort code
██████	General Account	HSBC Bank plc	██████

SCHEDULE 3
ASSIGNED INSURANCES

Policy Number [REDACTED] Zurich Insurance & Terrorism Policy Antares Lloyds Syndicate 1274
COMB09TE/Various

SCHEDULE 4

FORM OF NOTICE TO AND ACKNOWLEDGEMENT BY TENANT

To: [insert name and address of tenant]

Date: [] 20[]

Dear Sirs,

We (the Company) give you notice that we have assigned and charged to HSBC Bank plc in its capacity as (Lender) pursuant to a entered into by us in favour of the Lender dated [] 2017 all our right and remedies in connection with the lease dated [] and made between [] (the Lease) including all rights and remedies in connection with the Lease and all moneys which may be payable in respect of the Lease.

With effect from your receipt of this notice:-

- (1) you may continue to pay all moneys payable by you to the Company pursuant to, under or in connection with the Lease unless and until you receive written notice from the Lender to the contrary, in which event you should make all future payments as directed by the Lender;
- (2) we irrevocably authorise and instruct you from time to time to:
 - a. disclose to the Lender at our expense, such information relating to the Lease as the Lender may from time to time request;
 - b. pay or release all or any part of the sums from time to time due and payable by you to us under the Lease only in accordance with this notice or the written instructions given to you by the Lender from time to time;
 - c. without requiring further approval from us, to provide the Lender with such information relating to the Lease as it may from time to time request and to send it copies of all notices issued by you under the Lease to the Lender as well as to us; and
 - d. to send copies of all notices and other information given or received under the Lease to the Lender.
- (3) all rights to compel performance of the Lease are exercisable by the Lender although the Company shall remain liable to perform all the obligations assumed by it under the Lease;
- (4) all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Lease belong to the Lender and no changes may be made to the terms of the Lease without the Lender's consent.

These instructions may not be revoked, nor may the terms of the Lease be amended, varied or waived without the prior written consent of the Lender.

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

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning it to the Lender at HSBC Bank plc, London Commercial Banking Centre, Level 6, 71 Queen Victoria Street, London, EC4V 4AY marked for the attention of Jamie Scott.

Yours faithfully

for and on behalf of

Gateshead JI Estates No.2 Ltd

[On copy only]

To: HSBC Bank plc
London Commercial Banking Centre
Level 6, 71 Queen Victoria Street
London
EC4V 4AY
FAO: Jamie Scott

We acknowledge receipt of a notice 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 right and remedies in connection with the Lease and that we will comply with the terms of that notice.

We further confirm that:-

- (1) we have made all necessary arrangements for all future payments under the Lease to be made to the account specified in paragraph 1 of this notice, and
- (2) we will not exercise any right to terminate the Lease or take any action to amend or supplement the Lease without the prior written consent of the Lender.

for and on behalf of

[Insert tenant's details]

By: []

Dated: []

SCHEDULE 5

FORM OF NOTICE OF ASSIGNMENT OF MATERIAL CONTRACTS AND ASSIGNED CONTRACTS

To: [Counterparty to Material Contract or Assigned Contract]

Date: [] 20[]

Dear Sirs:

[DESCRIPTION OF RELEVANT MATERIAL CONTRACT OR ASSIGNED CONTRACT] (THE "AGREEMENT")

1. We (the "Company") give you notice that we have assigned (and, to the extent not validly or effectively assigned, we have charged by way of fixed charge) by way of security to HSBC Bank plc in its capacity as lender (the "Lender") pursuant to a debenture entered into by us in favour of the Lender dated [] 2017 (the "Debenture") all our right, title and interest from time to time in, and the full benefit of, the Agreement, including all moneys which may be payable in respect of the Agreement, including any claims for damages in respect of any breach of the Agreement.
2. Following receipt of the Lender's notification to you that the security created by the Debenture has become enforceable:-
 - 2.1 [all payments to be made to us under or arising from the Agreement should be made [to the Lender or to its order as it may specify in writing from time to time] [specify bank account];
 - 2.2 all remedies provided for in the Agreement or available at law or in equity are exercisable by the Lender;
 - 2.3 you are authorised and instructed, without further approval from us, to comply with your obligations (including without limitation your payment obligations) under the Agreement in accordance with the written instructions of the Lender from time to time (and to hold the money for any such payments to the Lender's order pending receipt of written instructions from the Lender); and
 - 2.4 subject to paragraph 4 below, you shall allow the Lender to perform all the obligations assumed by us under the Agreement.
3. You shall not be released from your obligations under the Agreement without the prior written consent of the Lender.
4. We shall remain liable to perform all our obligations under the Agreement and the Lender shall be under no obligation of any kind whatsoever in respect of the Agreement.
5. You must not, without the Lender's prior written consent:-
 - 5.1 amend, novate, supplement, restate or replace the Agreement;
 - 5.2 agree to any waiver or release of any of your obligations under the Agreement; or
 - 5.3 exercise any right of set-off or counterclaim in relation to any amounts owed under or in connection with the Agreement.
6. With effect from the date of receipt of this notice, we irrevocably and unconditionally instruct and authorise you, without requiring further approval from us, to:-
 - 6.1 promptly disclose to the Lender such information relating to the Agreement as the Lender may at any time request including, without limitation, all information, accounts and records in your possession or control that may be necessary or of assistance to enable

the Lender to verify the amount of all payments made or payable under the Agreement by you or the performance by you of all your obligations under the Agreement; and

- 6.2 provide the Lender with copies of all notices given or received under the Agreement promptly after they are given or received.
7. The authority and instructions contained in this notice cannot be revoked or varied by us without the prior written consent of the Lender.
8. By countersigning this letter, you confirm that:-
- 8.1 you have not received notice of any previous assignments or charges of or over any of the rights, title and interests and benefits referred to in this notice;
- 8.2 no amendment, waiver or release of any of rights, interests and benefits referred to in this notice shall be effective without the prior written consent of the Lender;
- 8.3 no termination of any rights, interests or benefits referred to in this notice shall be effective unless we have given the Lender thirty days written notice of the proposed termination (or if notice is not possible within that period, as soon as possible), specifying the action necessary to avoid such termination;
- 8.4 no breach or default on our part of any of the terms of the Agreement shall be deemed to have occurred unless you have given notice of such breach to the Lender specifying how to make good such breach; and
- 8.5 you will not, without the Lender's prior written consent, exercise any right of set-off or counterclaim in relation to any amounts owed under or in connection with the Agreement.
9. This notice, and any dispute or claim arising out of or in connection with it, shall be governed by and construed in accordance with English law.

Please accept this notice and your acknowledgement of the matters and instructions set out above within [5] days of receipt by signing, dating and returning the enclosed copy of this letter to the Lender at HSBC Bank plc, [insert address] marked for the attention of [insert details of the Relationship Manager].

Yours faithfully,

for and on behalf of
[Company]

Acknowledged:

For and on behalf of

[Name of counterparty to Material Contract or Assigned Contract]

SCHEDULE 6

FORM OF NOTICE OF ASSIGNMENT OF INSURANCE

To: [Insurer]

Date: [] 20[]

Dear Sirs,

We give you notice that we have assigned and charged to HSBC Bank plc in its capacity as (Lender) pursuant to a debenture entered into by us in favour of the Lender dated [] 20[] all our right, title and interest in and to the proceeds of [insert details of relevant insurance policy] (the Policy of Insurance).

With effect from your receipt of this notice we instruct you to:

- (1) following receipt of the Lender's written notification, make all payments and claims under or arising from the Policy of Insurance to the Lender [insert an account number if required] or to its order as it may specify in writing from time to time;
- (2) name the Lender as co-insured under the Policy of Insurance;
- (3) name the Lender as first loss payee in respect of any monies paid out in excess of £10,000 under the Policy of Insurance; and
- (4) disclose to the Lender, without further approval from us, such information regarding the Policy of Insurance as the Lender may from time to time request and to send it copies of all notices issued by you under the Policy of Insurance.

With effect from your receipt of this notice all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Policy of Insurance (including all rights to compel performance) belong to and are exercisable by the Lender.

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

Please acknowledge receipt of this notice (substantially in the form of the attached) by signing the acknowledgement on the enclosed copy letter and returning it to the Lender at HSBC Bank plc, [insert address] marked for the attention of [insert details of the Relationship Manager].

Yours faithfully,

for and on behalf of

[INSERT BORROWER'S DETAILS]

[On copy only:]

To: HSBC Bank plc
[insert address]

FAO: [insert details of the Relationship Manager]

We acknowledge receipt of a notice 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, title and interests and benefits referred to in such notice and that we will comply with the terms of that notice.

We further confirm that no amendment or termination of the Policy of Insurance shall be effective unless we have given the Lender thirty days written notice of it or, if it is not possible to comply with such notification to the Lender in accordance with the provisions of the relevant Policy of Insurance, the notice will be provided to the Lender in relation to such termination as soon as possible.

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

For and on behalf of [Insurer]

By: []

Dated: []

SCHEDULE 7

FORM OF NOTICE OF ASSIGNMENT OF ASSIGNED ACCOUNTS (OTHER THAN BLOCKED ACCOUNTS)

To: [Account Bank]

Date: [] 20[]

Dear Sirs

1. We give you notice that we have entered into a debenture dated [] in favour of HSBC Bank plc (the "Lender") (the "Debenture").
2. We refer to the following bank account[s] which we hold with you (and any replacement account or subdivision or subaccount of [that][each] account) (the "Assigned Account[s]"):

Account holder	Account name	Account number	Sort code

3. We give you notice that, pursuant to the terms of the Debenture, we have assigned (and, to the extent not validly or effectively assigned, we have charged by way of fixed charge) to the Lender by way of security all of our rights, title and interest from time to time in the Assigned Account[s] including, without limitation all Account Balances (as defined in the Debenture) in respect of the Assigned Account[s] (whether in sterling or any other currency and whether in addition to or by way of renewal or replacement for any sums previously deposited or otherwise) together with all interest accruing from time to time in respect of such money.
4. With effect from the date of receipt of this notice:-
 - 4.1 any existing payment instructions affecting the Assigned Account[s] are to be terminated upon receipt of further written notice from the Lender and all payments and communications in respect of the Assigned Account[s] thereafter should be made to the Lender or to its order;
 - 4.2 all Account Balances relating to the Assigned Account[s] are to be held to the order of the Lender upon receipt of written notice from the Lender; and
 - 4.3 all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Assigned Account[s] belong to the Lender upon receipt of further written notice from the Lender.
5. We may continue to withdraw or otherwise transfer the whole or any part of any Account Balance relating to the Assigned Account[s] without the prior written consent of the Lender until you receive written notice from the Lender that we may no longer do so.
6. We irrevocably and unconditionally authorise and instruct you to disclose to the Lender such information relating to the Assigned Accounts as the lender may from time to time request you to provide.

7. By countersigning this letter, you confirm that:-

7.1 the balance standing to each Assigned Account at today's date is set out in the below table:-

Account name	Account number

7.2 no fees or periodic charges are payable in respect of the Assigned Account[s] and there are no restrictions on:-

7.2.1 the payment of the Account Balance on the Assigned Account[s]; or

7.2.2 the assignment of the Assigned Account[s] to the Lender or any third party;

7.3 you have not received notice of any previous assignments of, charges over or trusts in respect of, the Assigned Account[s];

7.4 you will not, after receipt of further written notice from the Lender, without the Lender's consent:-

7.4.1 exercise any right of combination, consolidation or set-off which you may have in respect of the Assigned Account[s]; or

7.4.2 amend or vary any rights attaching to the Assigned Account[s];

7.5 after receipt of written notice from the Lender, you will act only in accordance with the instructions given by persons authorised by the Lender;

7.6 after receipt of written notice from the Lender, you will not permit us to withdraw or otherwise transfer the whole or any part of the Account Balance relating to the Assigned Account[s] without the Lender's prior written consent;

7.7 after receipt of written notice from the Lender, you shall send all statements and other notices given by you relating to the Assigned Account[s] to the Lender; and

7.8 you will comply with the terms of the notice of assignment.

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

9. This notice, and any dispute or claim arising out of or in connection with it, shall be governed by and construed in accordance with English law.

Please accept this notice and your acknowledgement of the matters and instructions set out above within [5] days of receipt by signing, dating and returning the enclosed copy of this letter to the Lender at HSBC Bank plc, [insert address] marked for the attention of [insert details of the Relationship Manager].

Yours faithfully,

for and on behalf of
[Company]

Acknowledged:

.....
For and on behalf of

[Name of account bank]

SCHEDULE 8

FORM OF NOTICE OF ASSIGNMENT OF BLOCKED ACCOUNTS

To: [Account Bank]

Date: [] 20[]

Dear Sirs:

1. We give you notice that we have entered into a debenture dated [] in favour of HSBC Bank plc (the "Lender") (the "Debenture").
2. We refer to the following bank account[s] which we hold with you (and any replacement account or subdivision or subaccount of [that][each] account) (the "Blocked Account[s]):-

Account holder	Account name	Account number	Sort code

3. We give you notice that, pursuant to the terms of the Debenture, we have assigned (and, to the extent not validly or effectively assigned, we have charged by way of fixed charge) to the Lender by way of security all of our rights, title and interest from time to time in the Blocked Account[s] including, without limitation all Account Balances (as defined in the Debenture) relating to the Blocked Account[s] (whether in sterling or any other currency and whether in addition to or by way of renewal or replacement for any sums previously deposited or otherwise) together with all interest accruing from time to time in respect of such money.
4. With effect from the date of this notice:-
 - 4.1 any existing payment instructions affecting the Blocked Accounts are to be terminated and all payments and communications in respect of the Blocked Accounts should be made to the Lender or to its order;
 - 4.2 all Account Balances relating to the Blocked Account[s] are to be held to the order of the Lender; and
 - 4.3 all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Blocked Account[s] belong to the Lender.
5. We are permitted to withdraw or otherwise transfer the whole or any part of the Account Balances relating to the Blocked Account[s] in the following circumstances without the prior written consent of the Lender: [insert agreed operating procedures for the Blocked Account[s]].
6. We irrevocably and unconditionally authorise and instruct you to disclose to the Lender such information relating to the Blocked Accounts as the lender may from time to time request you to provide.
7. By countersigning this letter, you confirm that:-
 - 7.1 no fees or periodic charges are payable in respect of the Blocked Account[s] and there are no restrictions on:-
 - 7.1.1 the payment of any Account Balance relating to the Blocked Account[s]; or

- 7.1.2 the assignment of the Blocked Account[s] to the Lender or any third party;
- 7.2 you have not received notice of any previous assignments of, charges over or trusts in respect of, the Blocked Account[s];
- 7.3 you will not, without the Lender's consent:-
 - 7.3.1 exercise any right of combination, consolidation or set-off which you may have in respect of the Blocked Account[s]; or
 - 7.3.2 amend or vary any rights attaching to the Blocked Account[s];
- 7.4 save as specifically set out in this notice, you will act only in accordance with the instructions given by persons authorised by the Lender;
- 7.5 save as specifically set out in this notice, you will not permit us to withdraw or otherwise transfer the whole or any part of the Account Balances relating to the Blocked Account[s] without the Lender's prior written consent;
- 7.6 you shall send all statements and other notices given by you relating to the Blocked Account[s] to the Lender; and
- 7.7 you will comply with the terms of the notice of assignment.
- 8. The authority and instructions contained in this notice cannot be revoked or varied by us without the prior written consent of the Lender.
- 9. This notice, and any dispute or claim arising out of or in connection with it, shall be governed by and construed in accordance with English law.

Please accept this notice and your acknowledgement of the matters and instructions set out above within [5] days of receipt by signing, dating and returning the enclosed copy of this letter to the Lender at HSBC Bank plc, [insert address] marked for the attention of [insert details of the Relationship Manager].

Yours faithfully,

for and on behalf of
[Company]

Acknowledged:

For and on behalf of

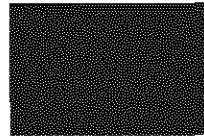
[Name of account bank]

With effect from the date of your receipt of this notice:-

EXECUTION PAGE

THE COMPANY

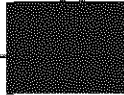
EXECUTED as a DEED by GATESHEAD JI ESTATES
NO.2 LTD acting by a director in the presence of:



Director

signature

signature of witness



SIR WEIS

print name

name

print name of witness

address

Mosim Hassan
Property Manager

THE LENDER

SIGNED for and on behalf of
HSBC BANK PLC

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Communications to the Lender are to be delivered to:

Address: HSBC Bank plc, London Commercial Banking Centre, Level 6, 71 Queen Victoria Street, London,
EC4V 4AY, United Kingdom

For the attention of: Jamie Scott