Companies House

MR01(ef)

Registration of a Charge

Company name: **RST ALLIANCE HOUSE DEVELOPMENTS LIMITED**

Company number: **12358787**

Received for Electronic Filing: **30/03/2020**

X91W4081

Details of Charge

Date of creation: **26/03/2020**

Charge code: **1235 8787 0002**

Persons entitled: **PARAGON DEVELOPMENT FINANCE LIMITED**

Brief description: **THE FREEHOLD PROPERTY KNOWN AS ALLIANCE HOUSE, BALDWIN STREET, BRISTOL BS1 1SA REGISTERED AT THE LAND REGISTRY UNDER TITLE NUMBERS BL139826 AND BL43683.**

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: **BIRD & BIRD LLP**

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 12358787

Charge code: 1235 8787 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 26th March 2020 and created by RST ALLIANCE HOUSE DEVELOPMENTS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 30th March 2020 .

Given at Companies House, Cardiff on 31st March 2020

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

Companies House

THE OFFICIAL SEAL OF THE REGISTRAR OF COMPANIES

DATED 26 March **2020**

RST ALLIANCE HOUSE DEVELOPMENTS LIMITED

and

PARAGON DEVELOPMENT FINANCE LIMITED

DEBENTURE

We hereby certify that, save for material redacted pursuant to s859 of the Companies Act 2006, this copy instrument is a correct copy of the original instrument.
Bird & Bird LLP
12 New Fetter Lane, London EC4A 1JP
27 March 2020

Bird & Bird LLP
12 New Fetter Lane
London EC4A 1JP

Tel: 020 7415 6000
www.twobirds.com
Ref: STJR\JWB\PARDG\0028

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THIS DEED dated 26 March 2020 is made between:

PARTIES

(1) **RST ALLIANCE HOUSE DEVELOPMENTS LIMITED** incorporated and registered in England and Wales with company number 12358787 whose registered office is at 2nd Floor Regis House, 45 King William Street, London EC4R 9AN (the "**Borrower**"); and

(2) **PARAGON DEVELOPMENT FINANCE LIMITED** of 40 Gracechurch Street, London EC3V 0BT (the "**Lender**").

RECITALS

(A) The Lender has agreed pursuant to the Facility Agreement to provide the Borrower with loan facilities on a secured basis.

(B) This debenture provides inter alia the security the Borrower has agreed to give the Lender for the loan facilities.

WHEREBY IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

The definitions and rules of interpretation in this clause apply in this debenture.

"**Accounts**" means the Rent Account and such other accounts set up or to be set up by the Borrower under the Finance Documents;

"**Administrator**" means an administrator appointed to manage the affairs, business and property of the Borrower pursuant to paragraph 15 of Schedule 6;

"**Assigned Agreements**" means each and all of the Sale Agreements, any Hedging Arrangement, any Managing Agent's Agreement and the agreements, if any, short particulars of which are set out in Schedule 1;

"**Associated Company**" means any company which is from time to time a member of the same group of companies as the Lender;

"**Book Debts**" means all present and future book and other debts and monetary claims due or owing to the Borrower, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Borrower in relation to any of them;

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London;

"**Charged Property**" means all the assets, property and undertaking for the time being subject to the security interests created by this debenture. References to the Charged Property shall include references to any part of it;

"**Costs**" means all costs, charges, expenses and liabilities of any kind including, without limitation, costs and damages in connection with litigation, professional fees, disbursements and any VAT charged on Costs;

"**Duty of Care Agreement**" means any duty of care agreement in relation to the management of any Property between the Managing Agent (1), the Borrower (2) and the Lender (3) in a form approved by the Lender;

"**Encumbrance**" means any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect;

"**Environment**" means all of the air, water and land, including (without limitation) the air within buildings and the air within other natural or man-made structures above or below ground, ground and surface water and surface and sub-surface soil;

"**Environmental Law**" means all applicable statutes, treaties, regulations, directives or similar measures relating to the pollution or protection of the Environment that affects the Charged Property;

"**Equipment**" means all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property for the time being owned by the Borrower, including any part of it and all spare parts, replacements, modifications and additions;

"**Excluded Property**" means any leasehold property held by the Borrower under a lease which precludes, either absolutely or conditionally (including requiring the consent of any third party), the Borrower from creating any charge over its leasehold interest in that property;

"**Facility Agreement**" means the facility letter dated 31 January 2020 between the Borrower and the Lender as the same may be amended, substituted, varied or novated from time to time;

"**Finance Documents**" means each and all of the Facility Agreement, the Security Documents, the Hedging Arrangement and all other documents or instruments granted or created in favour or for the benefit of the Lender and/or the Hedging Counterparty under the Facility Agreement and any other documents so designated by the parties now or in the future;

"**Hedging Arrangement**" means any currency swap or interest rate swap, cap and/or collar, forward rate, fixed deposit and any other similar financial hedging arrangement entered into by the Borrower and all monies from time to time payable in respect of them;

"**Hedging Counterparty**" means the party or parties now or in the future to the Hedging Arrangement other than the Borrower provided that such party is the Lender or an Associated Company;

"**Insurance Policies**" means the insurance policies referred to in clause 3.1.3.1;

"**Intellectual Property**" means the Borrower's present and future patents, trade marks, service marks, trade names, designs, copyrights, inventions, topographical or similar rights, confidential information and know-how and any interest in any of these rights, whether or not registered, including all applications and rights to apply for registration and all fees, royalties and other rights derived from, or incidental to, these rights;

"**Investments**" means all present and future stocks, shares, loan capital, securities, bonds and investments (whether or not marketable) for the time being owned (at law or in equity) by the Borrower, including all rights accruing or incidental to those investments from time to time;

"**Lender**" means the party identified above as the Lender including its successors in title and assigns;

"**Managing Agent**" means any person as may be appointed or to be appointed as a managing agent of any Property under a Managing Agent's Agreement

"**Managing Agent's Agreement**" means any managing agent's agreement entered into between the Managing Agent (1) and the Borrower (2) in relation to the management of any Property and any such other agreement from time to time with a Managing Agent;

"**Occupational Leases**" means each and all of the leases and/or agreements for lease and/or licences or other occupational interests subject to which the Borrower's interest in any Property is held now or in the future including any guarantee and rent deposit arrangements entered into under the terms of them;

"**Properties**" means all freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or in the future (and from time to time) owned by the Borrower, or in which the Borrower holds an interest (including (but not limited to) the properties which are briefly described in Schedule 2) and **Property** means any of them;

"**Receiver**" means a receiver and/or manager of any or all of the Charged Property appointed pursuant to paragraph 6 of Schedule 6;

"**Rents**" means all rents and other sums payable under any Occupational Leases including all insurance rent, service charge and VAT (if any) payable on or in respect of them;

"**Rent Account**" means the account opened and/or maintained from time to time by the Lender (or any bank nominated by the Lender from time to time) for the purposes of receiving the Rents and/or the Book Debts;

"**Sale Agreements**" means each and all of the agreements now or in the future in force for the sale or other disposal or realisation of any Property

"**Secured Liabilities**" means all present and future monies, obligations and liabilities owed by the Borrower to the Lender (and/or the Hedging Counterparty and/or any Associated Company) whether actual or contingent and whether owed jointly or severally, as principal or surety and/or in any

other capacity. Such monies, obligations and liabilities include all interest accruing on them and those arising under paragraph 3 of Schedule 8;

"Security Documents" means each of the security documents required by the Lender in accordance with clause 6 of the Facility Agreement;

"**Security Period**" means the period starting on the date of this debenture and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full; and

"VAT" means value added tax or any similar or substitute tax.

1.2 **Interpretation**

In this debenture:

1.2.1 A reference to a statute or statutory provision includes a reference to any subordinate legislation made under that statute or statutory provision, to any modification, re-enactment or extension of that statute or statutory provision and to any former statute or statutory provision which it consolidated or re-enacted before the date of this debenture.

1.2.2 A reference to one gender includes a reference to the other genders.

1.2.3 Words in the singular include the plural and in the plural include the singular.

1.2.4 A reference to a clause or Schedule is to a clause of, or Schedule to, this debenture and references to paragraphs are to paragraphs of the relevant schedule, unless the context requires otherwise.

1.2.5 A reference to **this debenture** (or any specified provision of it) or any other document shall be construed as a reference to this debenture, that provision or that document as in force for the time being and as amended, varied or supplemented from time to time in accordance with its terms, or with the agreement of the relevant parties and the prior written consent of the Lender (where such consent is, by the terms of this debenture or the relevant document, required to be obtained as a condition to such amendment being permitted).

1.2.6 A reference to a **person** shall include a reference to an individual, firm, corporation, unincorporated body of persons, or any State or any agency of a person.

1.2.7 A reference to an **amendment** includes a supplement, variation, novation or re-enactment (and **amended** shall be construed accordingly).

1.2.8 A reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description.

1.2.9 A reference to an **authorisation** includes an authorisation, consent, licence, approval, resolution, exemption, filing, registration and notarisation.

1.2.10 A reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

1.2.11 Clause, schedule and paragraph headings shall not affect the interpretation of this debenture.

1.3 **Clawback**

If the Lender considers that an amount paid by the Borrower in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Borrower or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this debenture.

1.4 **Nature of security over real property**

A reference in this debenture to a charge or mortgage of any freehold, leasehold or commonhold property includes:

1.4.1 all buildings and fixtures (including trade and tenant's fixtures) which are situated on that property at any time;

1.4.2 the proceeds of the sale of any part of that property; and

1.4.3 the benefit of any covenants for title given, or entered into, by any predecessor in title of the Borrower in respect of that property, and any monies paid or payable in respect of those covenants.

1.5 **Law of Property (Miscellaneous Provisions) Act 1989**

For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Facility Agreement and of any side letters between any parties in relation to the Facility Agreement are incorporated into this debenture.

1.6 **Land Registration Rules 1925**

For the purposes of Rule 139, Land Registration Rules 1925 (as amended) only the Facility Agreement does not form part of the terms and conditions of this debenture.

1.7 **Third party rights**

A third party (being any person other than the Borrower and the Lender and the Lender's permitted successors and assigns) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce, or to enjoy the benefit of, any term of this debenture.

1.8 **Perpetuity Period**

The perpetuity period applicable to all trusts declared by this debenture shall be 80 years.

1.9 **Insolvency Act 1986**

Paragraph 14 of Schedule B1 of the Insolvency Act 1986 (as inserted by section 248 of, and Schedule 16 to, the Enterprise Act 2002) applies to the floating charge created by this debenture.

1.10 **Schedules**

The schedules form part of this debenture and shall have effect as if set out in full in the body of this debenture. Any reference to this debenture includes the schedules.

2. **COVENANT TO PAY**

The Borrower shall, on demand, pay to the Lender and discharge the Secured Liabilities when they become due.

3. **GRANT OF SECURITY**

3.1 **Charging clause**

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee:

3.1.1 charges to the Lender, by way of first legal mortgage, all the Properties as listed in Schedule 2;

3.1.2 charges to the Lender, by way of first fixed charge:

3.1.2.1 all Properties acquired by the Borrower in the future;

3.1.2.2 all present and future interests of the Borrower not effectively mortgaged or charged under the preceding provisions of this clause 3 in, or over, freehold or leasehold property;

3.1.2.3 all present and future rights, licences, guarantees, contracts, covenants and warranties relating to the Properties;

3.1.2.4 all licences, consents and authorisations (statutory or otherwise) held or required in connection with the Borrower's business or the use of any Charged Property, and all rights in connection with them;

3.1.2.5 all present and future goodwill and uncalled capital for the time being of the Borrower;

3.1.2.6 all the Equipment;

3.1.2.7 all the Intellectual Property;

3.1.2.8 all the Book Debts;

3.1.2.9 all the Investments;

3.1.2.10 all monies from time to time standing to the credit of the Accounts and its accounts with any bank, financial institution or other person;

3.1.2.11 where the Borrower is (by virtue of an estate or interest in any Property) entitled to a share or shares in any residents or management company connected with the Property all such share or shares and all rights, benefits and advantages at any time arising in respect of the same and hereby covenants with the Lender that the Borrower will (if the Lender so requires) transfer such share or shares to the Lender or as it may direct;

3.1.3 assigns to the Lender, by way of first fixed mortgage:

3.1.3.1 all its rights in any policies of insurances or assurance present or future (including, without limitation, any insurances relating to the Properties or the Equipment);

3.1.3.2 to the extent the same are assignable the benefit of the Assigned Agreements and the benefit of any guarantee or security for the performance of the Assigned Agreements;

3.1.3.3 the Rents;

3.1.3.4 the benefit of the copyright and rights in the nature of copyright vested in the Borrower from time to time in any plans, specifications and negatives prepared for or in connection with any Property and/or the Borrower's business and/or the refurbishment, maintenance, servicing, repair, renewal or other works to any Property or any plant, machinery or equipment on it and the implied licence of the Borrower in any such plans, specifications and negatives the copyright of which is not vested in the Borrower; and

3.1.3.5 the Borrower's interest in any VAT recoveries in respect of the Charged Property and/or the Borrower's business;

3.1.4 charges to the Lender, by way of first floating charge, all the undertaking, property, assets and rights of the Borrower at any time not effectively mortgaged, charged or assigned pursuant to clause 3.1.1 to clause 3.1.3 inclusive.

3.2 **Leasehold security restrictions**

3.2.1 There shall be excluded from the charges created by clause 3.1 any Excluded Property until any relevant condition or waiver has been satisfied or obtained.

3.2.2 For each Excluded Property, the Borrower undertakes to:

3.2.2.1 apply for the relevant consent or waiver of prohibition or conditions within five Business Days of the date of this debenture and, to use its best endeavours to obtain that consent or waiver of prohibition as soon as possible;

3.2.2.2 keep the Lender informed of its progress in obtaining such consent or waiver; and

3.2.2.3 immediately on receipt of such consent or waiver, provide the Lender with a copy.

3.2.3 Immediately on receipt of the relevant waiver or consent, the relevant formerly Excluded Property shall stand charged to the Lender under clause 3.1. If required by the Lender at any time following receipt of that waiver or consent, the Borrower shall execute a valid fixed charge in such form as the Lender requires.

3.3 Automatic conversion of floating charge

The floating charge created by clause 3.1.4 shall automatically and immediately (without notice) be converted into a fixed charge over the relevant Charged Property if:

3.3.1 the Borrower:

3.3.1.1 creates or attempts to create an Encumbrance without the prior written consent of the Lender, or any trust in favour of another person over all or any part of the Charged Property; or

3.3.1.2 disposes, or attempts to dispose of, all or any part of the Charged Property other than property that is only subject to the floating charge while it remains uncrystallised in the ordinary course of business; or

3.3.2 a receiver is appointed over all or any of the Charged Property that is subject to the floating charge; or

3.3.3 any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Charged Property; or

3.3.4 the Lender receives notice of the appointment of, or a proposal or an intention to appoint, an administrator of the Borrower.

3.4 Conversion of floating charge by notice

The Lender may, in its sole discretion, at any time and by written notice to the Borrower, convert the floating charge created under this debenture into a fixed charge as regards any part of the Charged Property specified by the Lender in that notice.

3.5 Assets acquired after any floating charge crystallisation

Any asset acquired by the Borrower after any crystallisation of the floating charge created under this debenture which, but for such crystallisation, would be subject to a floating charge shall (unless the Lender confirms in writing to the contrary) be charged to the Lender by way of first fixed charge.

4. LIABILITY OF THE BORROWER

4.1 Liability not discharged

The Borrower's liability under this debenture in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

4.1.1 any security, guarantee, indemnity, remedy or other right held by, or available to, the Lender that is or becomes wholly or partially illegal, void or unenforceable on any ground; or

4.1.2 the Lender renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or

4.1.3 any other act or omission, which but for this clause 4.1 might have discharged, or otherwise prejudiced or affected, the liability of the Borrower.

4.2 Immediate recourse

The Borrower waives any right it may have to require the Lender to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this debenture against the Borrower.

5. REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lender in the terms set out in Schedule 3.

6. COVENANTS

The Borrower covenants with the Lender in the terms set out in Schedule 4.

7. POWERS OF THE LENDER

The Lender shall have the powers set out in Schedule 5.

8. ENFORCEMENT

The security constituted by this debenture shall be immediately enforceable in any of the circumstances set out in Schedule 6.

A Receiver shall have, in addition to the powers conferred on receivers by statute, the further powers set out in Schedule 7.

9. COSTS AND INDEMNITY

The Borrower shall pay to, or reimburse, the Lender and any Receiver on demand, on a full indemnity basis, all Costs incurred by the Lender and any Receiver in relation to:

9.1.1 this debenture or the Charged Property;

9.1.2 protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lender's rights under this debenture;

9.1.3 suing for, or recovering, any of the Secured Liabilities,

(including, without limitation, the Costs of any proceedings in relation to this debenture or the Secured Liabilities), together with interest on any amount due under clause 9.1.2 and clause 9.1.3 at the rate for default interest under clause 6 of the Facility Agreement.

The Lender and any Receiver, and their respective employees and agents, shall be indemnified on a full indemnity basis out of the Charged Property in respect of all actions, liabilities and Costs incurred or suffered in or as a result of:

9.1.4 the exercise, or purported exercise, of any of the powers, authorities or discretions vested in them under this debenture; or

9.1.5 any matter or thing done, or omitted to be done, in relation to the Charged Property under those powers.

10. RELEASE

Subject to paragraph 3 of Schedule 8, on the expiry of the Security Period (but not otherwise), the Lender shall, at the request and cost of the Borrower, take whatever action is necessary to release the Charged Property from the security constituted by this debenture.

11. ASSIGNMENT AND TRANSFER

11.1 Assignment by Lender

At any time, without the consent of the Borrower, the Lender may assign or transfer the whole or any part of the Lender's rights under this debenture to any person.

11.2 Assignment by Borrower

The Borrower may not assign any of its rights, or transfer any of its obligations, under this debenture or enter into any transaction which would result in any of these rights or obligations passing to another person.

12. FURTHER PROVISIONS

The provisions set out in Schedule 8 shall apply in this debenture.

13. NOTICES

13.1 Any notice or other communication given under this debenture shall be in writing and shall be served by delivering it personally or by sending it by pre-paid first-class post to the address, and for the attention, of the relevant party

as set out in Schedule 9, or such other address as may be notified in writing from time to time by the relevant party to the other party.

13.2 Receipt of any notice given under clause 13.1, shall be deemed to be received:

13.2.1 if delivered personally, at the time of delivery; or

13.2.2 in the case of pre-paid first-class post, 48 hours from the time of posting.

13.3 If deemed receipt under clause 13.2 occurs:

13.3.1 before 9:00 am on a Business Day, the notice shall be deemed to have been received at 9:00 am on that day; or

13.3.2 after 5:00 pm on a Business Day, or on a day that is not a Business Day, the notice shall be deemed to have been received at 9:00 am on the next Business Day.

13.4 In proving service of a notice, it shall be sufficient to prove that either:

13.4.1 the envelope containing such notice was addressed to the address of the relevant party as set out in Schedule 9 (or as otherwise notified by that party under clause 13.1) and delivered either:

13.4.1.1 to that address; or

13.4.1.2 into the custody of the postal authorities as a pre-paid first-class letter.

13.5 Notice given under this debenture shall not be validly served if sent by fax or e-mail.

14. REGISTRATION OF RESTRICTION

The Borrower hereby consents to the entry of the following restriction in the Proprietorship Register of any registered land forming part of any Property:-

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [ ] in favour of Paragon Development Finance Limited referred to in the Charges Register."

The Borrower authorises the Lender to make an application on Form RX1 (or such other form as may be prescribed from time to time) to enter this restriction against the relevant registered estate.

15. GOVERNING LAW

This debenture and any dispute or claim arising out of, or in connection with, it or its subject matter or formation (including any dispute or claim relating to non-contractual obligations) shall be governed by and construed in accordance with English law.

16. **JURISDICTION**

16.1 The courts of England have jurisdiction to settle any dispute or claim arising out of, or in connection with, this Debenture or its subject matter or formation (including any dispute or claim relating to non-contractual obligations).

16.2 Nothing contained in this debenture shall affect the right to serve process in any other manner permitted by law.

AS WITNESS this document has been executed as a deed and delivered the day and year first above written.

Schedule 1

Assigned Agreements

Type of contract:

Date:

Parties:

Schedule 2

Property

The freehold property known as Alliance House, Baldwin Street, Bristol BS1 1SA registered at the Land Registry under title numbers BL139826 and BL43683.

Schedule 3

Representations and Warranties

1. **Ownership of Charged Property**

The Borrower is the legal and beneficial owner of the Charged Property.

2. **No Encumbrances**

The Charged Property is free from any Encumbrance other than the Encumbrances created by this debenture.

3. **Adverse claims**

The Borrower has not received or acknowledged notice of any adverse claim by any person in respect of the Charged Property or any interest in it.

4. **Adverse covenants**

There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatever, which materially adversely affect the Charged Property.

5. **No breach of laws**

There is no breach of any law or regulation which materially adversely affects the Charged Property.

6. **No interference in enjoyment**

No facility necessary for the enjoyment and use of the Charged Property is subject to terms entitling any person to terminate or curtail its use.

7. **No overriding interests**

Nothing has arisen, has been created or is subsisting which would be an overriding interest in any Property.

8. **Avoidance of security**

No Encumbrance expressed to be created pursuant to this debenture is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Borrower or otherwise.

9. **No prohibitions or breaches**

There is no prohibition on assignment in any Insurance Policies or Assigned Agreements, or the relevant clauses of them as the case may be, and the Borrower entering into this debenture will not constitute a breach of any Insurance Policies or Assigned Agreements.

10. **Environmental compliance**

The Borrower has, at all times, complied in all material respects with all applicable Environmental Law.

Schedule 4

Covenants

General covenants

1. **Negative pledge and disposal restrictions**

The Borrower shall not at any time, except with the prior written consent of the Lender:

1.1 create, purport to create or permit to subsist any Encumbrance or in relation to, the Charged Property other than this debenture; or

1.2 sell, assign, transfer, part with possession of or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, the Charged Property, except in the ordinary course of the Borrower's trade in the case of Charged Property which is only subject to an uncrystallised floating charge; or

1.3 create or grant (or purport to create or grant) any interest in the Charged Property in favour of a third party.

2. **Preservation of Charged Property**

The Borrower shall not do, or permit to be done, any act or thing which would or might depreciate, jeopardise or otherwise prejudice the security held by the Lender or materially diminish the value of any of the Charged Property or the effectiveness of the security created by this debenture.

3. **Enforcement of rights**

The Borrower shall use its best endeavours to:

3.1 procure the prompt observance and performance by the relevant party of the covenants and other obligations imposed on the Borrower's counterparties; and

3.2 enforce any rights and institute, continue or defend any proceedings relating to any of the Charged Property which the Lender may require from time to time.

4. **Notice of breaches of representations and warranties and covenant**

The Borrower shall promptly on becoming aware of all the same give the Lender notice in writing of any breach of:

4.1 any representation or warranty set out in Schedule 3, and

4.2 any covenant set out in this Schedule 4.

5. **Title documents**

The Borrower shall, on the execution of this debenture (or, if later, the date of acquisition of the relevant Charged Property), deposit with the Lender and the Lender shall, for the duration of this debenture be entitled to hold:

5.1 all deeds and documents of title relating to the Charged Property which are in the possession or control of the Borrower (if these are not within the possession and/or control of the Borrower, the Borrower undertakes to obtain possession of all such deeds and documents of title);

5.2 all Insurance Policies and any other insurance policies relating to any of the Charged Property to which policies the Borrower is entitled to possession;

5.3 all deeds and documents of title (if any) relating to the Book Debts as the Lender may specify from time to time; and

5.4 copies of all the Assigned Agreements, certified to be true copies by either a director of the Borrower or by the Borrower's solicitors.

6. Notices to be given by the Borrower

The Borrower shall immediately on the execution of this debenture:

6.1 give notice to the relevant insurers of the assignment of the Borrower's rights and interest in and under the insurance policies pursuant to clause 3.1.3.1; and

6.2 give notice to the other parties to the Assigned Agreements of the assignment pursuant to clause 3.1.3.2 of the Borrower's rights and interest in and under the Assigned Agreements.

The Borrower shall obtain the Lender's prior approval of the form of any notice or acknowledgement to be used under this paragraph 6.

7. Further assurance

The Borrower, at its own cost, shall prepare and execute such further legal or other mortgages, charges or transfers (containing a power of sale and such other provisions as the Lender may reasonably require) in favour of the Lender as the Lender, in its absolute discretion, requires from time to time over all or any part of the Charged Property.

8. Appointment of accountants

The Borrower shall:

8.1 at its own cost, if at any time so required by the Lender, appoint an accountant or firm of accountants nominated by the Lender to investigate the financial affairs of the Borrower and report to the Lender; and

8.2 co-operate fully with any accountants so appointed and immediately provide such accountants with all information requested.

The Borrower authorises the Lender to make such appointment as it shall think fit at any time, without further authority from the Borrower. In every such case, the fees and expenses of those accountants shall be paid by the Borrower but, if paid by the Lender on the Borrower's behalf, those fees and expenses shall be fully reimbursed to the Lender under clause 9.

9. Borrower's waiver of set-off

The Borrower waives any present or future right of set-off it may have in respect of the Secured Liabilities (including sums payable by the Borrower under this debenture).

10. **Rents, Book Debts, Insurance and Assigned Agreements covenants Preservation and Realisation of Rents and Book Debts**

The Borrower shall:

10.1 promptly and efficiently get in and realise all Rents and/or Book Debts in the ordinary course of its business;

10.2 (as the Lender may from time to time in its sole and absolute discretion require) pay the proceeds of getting in and realising the Rents and/or Book Debts into the Rent Account;

10.3 not without the prior written consent of the Lender release, exchange, compound, set-off or grant time or indulgence in respect of any such Rents and/or Book Debts;

10.4 without prejudice to the generality of paragraph 1 of the general covenants of this Schedule 4, not without the prior written consent of the Lender sell, factor, discount or otherwise deal with or dispose of all or any Rents and/or Book Debts; and

10.5 if called on so do so by the Lender, execute a legal assignment or the Book Debts to the Lender in such terms as the Lender may require and give notice of that assignment to the debtors from whom the Book Debts are due, owing or incurred.

At any time on demand by the Lender, the Borrower shall promptly serve a notice of assignment of Rents in the form set out in Part 1 of Schedule 10 on such tenant under such Occupational Lease as the Lender shall require and use all reasonable endeavours to procure receipt of such notice by that tenant substantially in the form set out in Part 2 of Schedule 10

11. **Insurance covenant**

The Borrower:

11.1 shall (if the Lender so requires) produce to, or deposit with, the Lender all Insurance Policies and the receipts for all premiums and other payments necessary for effecting and keeping up such policies; and

11.2 has not done or omitted to do, and shall not do or omit to do, any act or thing that may invalidate or otherwise prejudice the Insurance Policies.

12. **Insurance Policies' proceeds**

All sums payable under any of the Insurance Policies at any time (whether or not the security constituted by this debenture has become enforceable) shall:

12.1 immediately be paid to the Lender,

12.2 if they are not paid directly to the Lender by the insurers, be held by the Borrower as trustee of the same for the benefit of the Lender (and the Borrower shall account to the Lender accordingly); and

12.3 subject to the terms of any Occupational Lease, be applied in making good or recouping expenditure in respect of the loss or damage for which such monies are received or at the option of the Lender in or towards discharge or reduction of the Secured Liabilities (but subject to paragraph 12 of Schedule 6).

13. **Assigned Agreements**

In respect of any Assigned Agreement, the Borrower shall not, without the prior written consent of the Lender:

13.1 waive any rights; or

13.2 supplement, amend, novate, terminate or permit termination of any such agreement.

Property covenants

1. **Maintenance and insurance**

The Borrower shall:

1.1 keep all buildings and all fixtures on each Property in good and substantial repair and condition;

1.2 insure, and keep insured, those buildings and fixtures with such insurer and against such risks and in such amounts and otherwise on such terms as the Lender may require (and, failing such requirement, in accordance with the practice in respect of items of the same type current amongst prudent businessmen from time to time) and

1.3 procure that the interest of the Lender is noted on all those insurance policies or, at the option of the Lender, that those insurance policies are issued in the joint names of the Lender and the Borrower.

2. **Preservation of Property, fixtures and equipment**

The Borrower shall not, without the prior written consent of the Lender:

2.1 pull down or remove the whole or any part of any building forming part of any Property; or

2.2 make any material alterations to any Property or sever or remove any of its fixtures; or

2.3 remove or make any material alterations to any of the Equipment belonging to, or in use by, the Borrower on any Property (except to effect necessary repairs or replace them with new or improved models or substitutes).

The Borrower shall whenever any Equipment is destroyed, damaged or deteriorates, immediately repair, replace and make good the same.

3. **Conduct of business on Properties**

The Borrower shall carry on its trade and business in accordance with the standards of good management from time to time current in such trade or business on those parts (if any) of the Properties as are or may be used for the purposes of trade or business.

4. **Planning information**

The Borrower shall:

4.1 give full particulars to the Lender of any notice, order, direction, designation, resolution or proposal given or made by any planning authority or other public body or authority (a **Planning Notice**) that specifically applies to any Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Planning Notice; and

4.2 (if the Lender so requires) immediately, and at the cost of the Borrower, take all reasonable and necessary steps to comply with any Planning Notice, and make, or join with the Lender in making, such objections or representations in respect of any such Planning Notice as the Lender may desire.

5. **Compliance with covenants and payment of rent**

The Borrower shall:

5.1 observe and perform all covenants, stipulations and conditions to which each Property, or the use of it, is or may be subjected and (if the Lender so requires) produce to the Lender evidence sufficient to satisfy the Lender that those covenants, stipulations and conditions have been observed and performed; and

5.2 (without prejudice to the generality of the foregoing) where a Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time and perform and observe all the tenant's covenants and conditions.

6. **Maintenance of interests in Properties**

The Borrower shall not, without the prior written consent of the Lender:

6.1 grant, or agree to grant, any licence or tenancy affecting the whole or any part of any Property, or exercise the statutory powers of leasing (or agreeing to lease) or of accepting (or agreeing to accept) surrenders under sections 99 or 100 of the Law of Property Act 1925; or

6.2 in any other way dispose of, or agree to dispose of, surrender or create any legal or equitable estate or interest in the whole or any part of any Property.

7. **Registration restrictions**

The Borrower shall procure that no person shall be registered under the Land Registration Acts 1925 to 2002 as proprietor of any Property without the prior written consent of the Lender. The Borrower shall be liable for the Costs of the

Lender in lodging cautions against the registration of the title to the whole or any part of any Property from time to time.

8. **Development restrictions**

The Borrower shall not, without the prior written consent of the Lender, carry out or permit or suffer to be carried out on any Property any development as defined in the Town and Country Planning Act 1990 or change or permit or suffer to be changed the use of any Property.

9. **Environment**

The Borrower shall:

9.1 properly discharge all duties of care and responsibility placed upon it by Environmental Law;

9.2 observe and perform all the requirements of Environmental Law both in the conduct of its general business and in the management possession or occupation of each Property; and

9.3 apply for and obtain all authorisations, necessary to ensure that it does not breach Environmental Law.

10. **No restrictive obligations**

The Borrower shall not, without the prior written consent of the Lender, enter into any onerous or restrictive obligations affecting the whole or any part of any Property or create or permit to arise any overriding interest, easement or right whatever in or over the whole or any part of any Property.

11. **Proprietary rights**

The Borrower shall procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of any Property without the prior written consent of the Lender.

12. **Inspection**

The Borrower shall permit the Lender and any Receiver and any person appointed by either of them to enter on and inspect any Property on reasonable prior notice.

13. **Property information**

The Borrower shall inform the Lender promptly of any acquisition by the Borrower of, or contract made by the Borrower to acquire, any freehold, leasehold or other interest in any property.

No Managing Agent shall be appointed in respect of any Property except with the consent of the Lender.

14. **The Lender may require the Borrower to:**

(a) procure that the proposed Managing Agent and the Borrower enter into a Duty of Care Agreement;

(b) (where the Lender, acting reasonably, considers the Managing Agent to be in breach of the Managing Agent's Agreement) terminate the appointment of the Managing Agent and/or appoint a new or additional Managing Agent on terms approved by the Lender and procure that that Managing Agent entered into a Duty of Care Agreement.

Investment covenants

1. **Registration of Investments**

The Borrower shall, at the direction of the Lender given at any time, immediately execute and deliver to the Lender all transfers and other documents and do all such things as may be necessary or desirable to register all or any of the Investments in the name of the Lender or its nominee.

2. **Additional registration obligations**

The Borrower grants and agrees to:

2.1 procure all consents, waivers, approvals and permissions which are necessary, under the articles of association of any issuer that is, not a public company or otherwise, for the transfer of the Investments to the Lender or its nominee, or to a purchaser on enforcement of this debenture; and

2.2 procure the amendment of the share transfer provisions of the articles of association of each issuer that is not a public company in such manner as the Lender may require in order to permit such a transfer.

3. **Dividends and voting rights post enforcement**

After the security constituted by this debenture has become enforceable:

3.1 all dividends and other distributions paid in respect of the Investments and received by the Borrower shall be held on trust for the Lender and immediately paid to the Lender or, if received by the Lender, shall be retained by the Lender; and

3.2 all voting and other rights and powers attaching to the Investments shall be exercised by, or at the direction of, the Lender and the Borrower shall, and shall procure that its nominees shall, comply with any directions the Lender may, in its absolute discretion, give concerning the exercise of those rights and powers.

4. **Calls on Investments**

The Borrower shall duly and promptly pay all calls, instalments and other moneys which may be payable from time to time in respect of the

Investments. The Borrower acknowledges that the Lender shall not be under any liability in respect of any such calls, instalments or other moneys.

5. **No alteration of Investments**

The Borrower shall not, without the prior written consent of the Lender, amend, or agree to the amendment of, the memorandum or articles of association of any issuer that is not a public company, or the rights or liabilities attaching to any of the Investments.

6. **Preservation of Investments**

The Borrower shall ensure (insofar as it is able by the exercise of all voting rights, powers of control and other means available to it to do so) that no issuer that is not a public company shall:

6.1 consolidate or subdivide any of its Investments, or reduce or re-organise its share capital in any way;

6.2 issue any new shares or stock; or

6.3 refuse to register any transfer of any of its Investments which may be lodged for registration by, or on behalf of, the Lender or the Borrower in accordance with this debenture.

7. **Investments information**

The Borrower shall, send to the Lender copies of all notices, circulars, reports, accounts and other documents, which are sent to holders of any Investments, promptly following receipt .

Equipment covenants

1. **Maintenance of Equipment**

The Borrower shall:

1.1 maintain the Equipment in good and serviceable condition (except for expected fair wear and tear); and

1.2 not to permit any Equipment to be:

(a) used or handled, other than by properly qualified and trained persons; or

(b) to be overloaded or used for any purpose for which it is not designed or reasonably suitable.

2. **Payment of Equipment taxes**

The Borrower shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Equipment and, on demand, produce evidence of payment to the Lender.

3. **Equipment information**

The Borrower shall:

3.1 give the Lender such information concerning the location, condition, use and operation of Equipment as the Lender may require; and

3.2 permit any persons designated by the Lender to inspect and examine Equipment and the records relating to Equipment at all reasonable times.

4. **Equipment insurance**

The Borrower shall:

4.1 at its own expense, procure that the Equipment is covered and kept covered by insurance of a kind satisfactory to the Lender with insurers approved by the Lender (such approval not to be unreasonably withheld) for full comprehensive insurance cover, which shall include (but not be limited to) fire, theft and accident, for an amount agreed with the Lender;

4.2 if the Lender so requires, procure that the interest of the Lender is noted on all such insurance policies or, at the option of the Lender, that such insurance policies are issued in the joint names of the Lender and the Borrower; and

4.3 maintain insurance for third party liabilities in such amount, and on such terms, as is usual for users of equipment of the same type as the Equipment.

5. **Notice of charge**

The Borrower shall, if so requested by the Lender, place and maintain on each item of Equipment, in a conspicuous place, a clearly legible identification plate containing the following wording:

"NOTICE OF CHARGE

This [DESCRIPTION OF ITEM] and ancillary equipment is subject to a fixed charge dated [DATE] in favour of Paragon Development Finance Limited".

Intellectual Property covenants

1. **Preservation of rights**

The Borrower shall take all necessary action to safeguard and maintain present and future rights in, or relating to, the Intellectual Property including (without limitation), observing all covenants and stipulations relating to such rights and paying all applicable renewal fees, licence fees and other outgoings.

2. **Registration of Intellectual Property**

The Borrower shall use all reasonable efforts to effect registration of applications for registration of any Intellectual Property and keep the Lender informed of all matters relating to such registration.

3. **Maintenance of Intellectual Property**

The Borrower shall not to permit any Intellectual Property to be abandoned, cancelled or to lapse.

Schedule 5

Powers of the Lender

1. **Power to remedy**

The Lender shall be entitled (but shall not be bound) to remedy a breach at any time by the Borrower of any of its obligations contained in this debenture. The Borrower irrevocably authorises the Lender and its agents to do all such things as are necessary or desirable for that purpose.

2. **Exercise of rights**

The rights of the Lender under paragraph 1 of Schedule 5 are without prejudice to any other rights of the Lender under this debenture. The exercise of those rights shall not make the Lender liable to account as a mortgagee in possession.

3. **Power to dispose of chattels**

At any time after the security constituted by this debenture has become enforceable, the Lender or any Receiver:

3.1 may dispose of any chattels or produce found on any Property as agent for the Borrower; and

3.2 without prejudice to any obligation to account for the proceeds of any sale of such chattels or produce, shall be indemnified by the Borrower against any liability arising from such disposal.

4. **Prior Encumbrances**

At any time after the security constituted by this debenture has become enforceable, or after any powers conferred by any Encumbrance having priority to this debenture shall have become exercisable, the Lender may:

4.1 redeem such or any other prior Encumbrance, or procure its transfer to itself; and

4.2 settle any account of that encumbrancer.

The settlement of any such account shall be conclusive and binding on the Borrower. All monies paid by the Lender to an encumbrancer in settlement of such an account shall, as from its payment by the Lender, be due from the Borrower to the Lender on current account and shall bear interest and be secured as part of the Secured Liabilities.

5. **Currencies of denomination**

For the purpose of, or pending the discharge of, any of the Secured Liabilities, the Lender may convert any monies received, recovered or realised by the Lender under this debenture (including the proceeds of any previous conversion under this paragraph 5) from their existing currencies of denomination into such other currencies of denomination as the Lender may think fit. Any such conversion shall be effected at the Lender's then prevailing spot selling rate of exchange for such other currency against the existing

currency. Each reference in this paragraph 5 to a currency extends to funds of that currency and for the avoidance of doubt funds of one currency may be converted into different funds of the same currency.

6. **New accounts**

6.1 If the Lender receives notice of any subsequent charge, or other interest, affecting all or part of the Charged Property, the Lender may open a new account for the Borrower in the Lender's books. Without prejudice to the Lender's right to combine accounts, no money paid to the credit of the Borrower in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.

6.2 If the Lender does not open a new account immediately on receipt of notice under paragraph 6.1 above, then, unless the Lender gives express written notice to the contrary to the Borrower, all payments made by the Borrower to the Lender, in the absence of any express appropriation by the Borrower to the contrary, shall be treated as having been credited to a new account of the Borrower and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt of the relevant notice by the Lender.

7. **Lender's set-off rights**

If the Lender has more than one account for the Borrower in its books, the Lender may at any time after:

7.1 the security constituted by this debenture has become enforceable; or

7.2 the Lender has received notice of any subsequent charge or other interest affecting all or any part of the Charged Property,

transfer, without prior notice, all or any part of the balance standing to the credit of any account to any other account which may be in debit (but the Lender shall notify the Borrower of the transfer once made).

8. **Indulgence**

The Lender may, at its discretion, grant time or other indulgence or make any other arrangement, variation or release with any person that is not being a party to this debenture (whether or not such person is jointly liable with the Borrower) in respect of any of the Secured Liabilities, or of any other security for them without prejudice either to this debenture or to the liability of the Borrower for the Secured Liabilities.

9. **Investments: dividends and voting rights prior to enforcement**

Until the security constituted by this debenture becomes enforceable the Lender shall, in exercising all voting and other rights and powers of the Lender or its nominee attaching to the Investments, act in accordance with the directions of Borrower from time to time if acting in accordance with those directions would not, in the Lender's opinion, prejudice the Lender's security under this debenture or the value of the Investments, or contravene any agreement between the Lender and the Borrower.

Schedule 6

Enforcement

1. **Enforcement events**

This debenture shall be enforceable if:

1.1 any of the Secured Liabilities are not paid or discharged when the same ought to be paid or discharged by the Borrower (whether on demand, at scheduled maturity, or by acceleration or otherwise, as the case may be); or

1.2 the Borrower is in breach of any of its obligations under this debenture or under the Finance Documents or under any other agreement between the Borrower and the Lender and that breach (if capable of remedy) has not been remedied to the satisfaction of the Lender within 14 days of notice by the Lender to the Borrower to remedy the breach; or

1.3 the Borrower:

(a) becomes unable to pay its debts as they fall due (and/or the value of the Borrower's assets is less than the amount of its liabilities, taking into account the Borrower's contingent and prospective liabilities); or

(b) commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness; or

(c) makes a general assignment for the benefit of, or a composition with, its creditors; or

1.4 the Borrower passes any resolution or takes any corporate action, or a petition is presented or proceedings are commenced, or any action is taken by any person for its winding-up, dissolution, administration or re-organisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of it or of any or all of its revenues or assets; or

1.5 a distress, execution, attachment or other legal process is levied, or enforced on or sued against all or any part of the assets of the Borrower and remains undischarged for seven days; or

1.6 an Event of Default (as defined in the Facility Agreement) occurs,

and in any such event (whether or not the event is continuing), without prejudice to any other rights of the Lender, the powers of sale under the Law of Property Act 1925 shall immediately be exercisable and the Lender may, in its absolute discretion, enforce all or any part of the security created by this debenture as it sees fit.

2. **Statutory power of sale**

The statutory power of sale shall, as between the Lender and a purchaser from the Lender, arise on and be exercisable at any time after the execution of this debenture, but the Lender shall not exercise such power of sale until the security constituted by this debenture has become enforceable under paragraph 1 of Schedule 6.

3. **Extension of statutory powers**

The statutory powers of sale, leasing and accepting surrenders exercisable by the Lender under this debenture are extended so as to authorise the Lender, whether in its own name or in that of the Borrower, to grant a lease of the whole or any part of the freehold and leasehold property of the Borrower with whatever rights relating to other parts of it, containing whatever covenants on the part of the Borrower, generally on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) and whether or not at a premium as the Lender thinks fit.

4. **Protection of third parties**

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

4.1 to enquire whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged, or whether the power the Lender or a Receiver is purporting to exercise has become exercisable; or

4.2 to see to the application of any money paid to the Lender or any Receiver.

5. **No liability as mortgagee in possession**

Neither the Lender, nor any Receiver nor any Administrator shall be liable to account as mortgagee in possession in respect of all or any of the Charged Property, nor shall any of them be liable for any loss on realisation of, or for any neglect or default of any nature in connection with, all or any of the Charged Property for which a mortgagee in possession might be liable as such.

6. **Appointment of Receiver**

At any time after the security constituted by this debenture becomes enforceable, or at the request of the Borrower, the Lender may, without further notice:

6.1 appoint under seal or in writing, by a duly authorised officer of the Lender, any one or more person or persons to be a receiver, or a receiver and manager, of all or any part of the Charged Property; and

6.2 (subject to section 45 of the Insolvency Act 1986) from time to time, under seal or in writing by a duly authorised officer of the Lender, remove any person appointed to be Receiver and may, in a similar manner, appoint another in his place.

Where more than one person is appointed Receiver, they shall have power to act separately (unless the appointment by the Lender specifies to the contrary).

7. **Power of appointment additional**

7.1 The powers of sale and appointing a Receiver conferred by this debenture shall be in addition to all statutory and other powers of the Lender under the Insolvency Act 1986 and the Law of Property Act 1925 or otherwise, and shall be exercisable without the restrictions contained in Sections 103 and 109 of the Law of Property Act 1925 or otherwise.

7.2 The power to appoint a Receiver (whether conferred by this debenture or by statute) shall be, and remain, exercisable by the Lender despite any prior appointment in respect of all or any part of the Charged Property.

8. Agent of the Borrower

Any Receiver appointed by the Lender under this debenture shall be the agent of the Borrower and the Borrower shall be solely responsible for his acts and remuneration, as well as for any defaults committed by him.

9. Powers of Receiver

Any Receiver appointed by the Lender under this debenture shall, in addition to the powers conferred on him by the Law of Property Act 1925 and the Insolvency Act 1986, have the power to do all such acts and things as an absolute owner could do in the management of such of the Charged Property over which the Receiver is appointed and, in particular, the powers set out in Schedule 7.

10. Order of application of proceeds

All monies received by the Lender or a Receiver (other than insurance monies) shall be applied:

10.1 first in paying all rents, taxes, rates and outgoings whatever affecting any Charged Property;

10.2 second in paying all costs, charges and expenses of, and incidental to, the appointment of any Receiver and the exercise of his powers and all outgoings paid by him;

10.3 third in paying the remuneration of any Receiver (as agreed between the Receiver and the Lender);

10.4 fourth in or towards discharge of the Secured Liabilities in such order and manner as the Lender determines; and

10.5 finally in paying any surplus to the Borrower or any other person entitled to it.

11. Section 109(8) of the Law of Property Act 1925

Neither the Lender nor any Receiver shall be bound (whether by virtue of section 109(8) of the Law of Property Act 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

12. Suspense account

All monies received by the Lender or a Receiver under this debenture may, at the discretion of the Lender or Receiver, be credited to any suspense or securities realised account and shall bear interest at such rate, if any, as may be agreed in writing between the Lender and the Borrower, and may be held in such account for so long as the Lender or Receiver thinks fit.

13. **Power of attorney**

By way of security, the Borrower irrevocably appoints the Lender and every Receiver separately to be the attorney of the Borrower and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things which:

13.1 the Borrower is required to execute and do under this debenture, including execute any document required by the Lender under paragraph 6 of Part 1 of Schedule 4; and

13.2 any attorney may deem proper or desirable in exercising any of the powers, authorities and discretions conferred by this debenture or by law on the Lender or any Receiver.

14. **Ratification of acts of attorney**

By this debenture, the Borrower ratifies and confirms, and agrees to ratify and confirm, anything which any of its attorneys may do in the proper and lawful exercise or purported exercise of all or any of the powers, authorities and discretions referred to in paragraph 13.

15. **Appointment of an Administrator**

15.1 The Lender may, without notice to the Borrower, appoint any one or more persons to be an administrator of the Borrower pursuant to Paragraph 14 Schedule B1 of the Insolvency Act 1986 if this debenture becomes enforceable.

15.2 Any appointment under this paragraph 15 shall:

(a) be in writing signed by a duly authorised signatory of the Lender; and

(b) take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986, when the requirements of paragraph 18 of that Schedule B1 are satisfied.

15.3 The Lender may (subject to any necessary approval from the court) end the appointment of an Administrator by notice in writing in accordance with this paragraph 15 and appoint a replacement for any Administrator whose appointment ends for any reason under that paragraph.

Schedule 7

Further powers of a Receiver

1. **Power to repair and develop Properties**

   To undertake or complete any works of repair, building or development on the Properties.

2. **Power to surrender leases**

   To grant, or to accept surrenders of, any leases or tenancies affecting the Properties on such terms and subject to such conditions as he thinks fit.

3. **Power to employ personnel and advisors**

   To provide services and employ, or engage, such managers, contractors and other personnel and professional advisors on such terms as he deems expedient.

4. **Power to make VAT elections**

   To make such elections for VAT purposes as he thinks fit.

5. **Power to charge for remuneration**

   To charge and receive such sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) as the Lender may prescribe or agree with him.

6. **Power to realise Charged Property**

   To collect and get in the Charged Property or any part thereof in respect of which he is appointed and to make such demands and take such proceedings as may seem expedient for that purpose, and to take possession of the Charged Property with like rights.

7. **Power to manage or reconstruct the Borrower's business**

   To carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Borrower.

8. **Power to dispose of Charged Property**

   To grant options and licences over all or any part of the Charged Property, sell or concur in selling, assign or concur in assigning, lease or concur in leasing and accept or concur in accepting surrenders of leases of, all or any of the property of the Borrower in respect of which he is appointed in such manner and generally on such terms and conditions as he thinks fit (fixtures and plant and machinery may be severed and sold separately from the premises in which they are contained without the consent of the Borrower), and to carry any such sale, assignment, leasing or surrender into effect. Any such sale may be for such consideration as the Receiver thinks fit and he may promote, or concur in promoting, a Borrower to purchase the property to be sold.

9. **Power to sell Book Debts**

To sell and assign all or any of the Book Debts in respect of which he is appointed in such manner, and generally on such terms and conditions, as he thinks fit.

10. **Power to make settlements**

To make any arrangement, settlement or compromise between the Borrower and any other person which he may think expedient.

11. **Power to improve the Equipment**

To make substitutions of, or improvements to, the Equipment as he may think expedient.

12. **Power to make calls on Borrower members**

To make calls conditionally or unconditionally on the members of the Borrower in respect of the uncalled capital with such and the same powers for that purpose, and for the purpose of enforcing payments of any calls so made, as are conferred by the Articles of Association of the Borrower on its directors in respect of calls authorised to be made by them.

13. **Power to appoint**

To appoint managers, officers, servants, workmen and agents for the purposes of this Schedule 7 at such salaries, for such periods and on such terms as he may determine.

14. **Power to insure**

If he thinks fit, but without prejudice to the indemnity in clause 9, to effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, such insurance.

15. **Powers under Law of Property Act 1925**

To exercise all powers provided for in the Law of Property Act 1925 in the same way as if he had been duly appointed under that act, and to exercise all powers provided for an administrative receiver in Schedule 1 of the Insolvency Act 1986.

16. **Power to borrow**

For any of the purposes authorised by this Schedule 7 to raise money by borrowing from the Lender (or from any other person) on the security of all or any of the Charged Property in respect of which he is appointed on such terms as he shall think fit (including, if the Lender consents, terms under which such security ranks in priority to this debenture).

17. **Power to redeem prior Encumbrances**

To redeem any prior Encumbrance and to settle and pass the accounts to which the Encumbrance relates. Any accounts so settled and passed shall be

conclusive and binding on the Borrower, and the moneys so paid shall be deemed to be an expense properly incurred by him.

18. **Incidental powers**

To do all such other acts and things as he may consider incidental or conducive to any of the matters or powers in this Schedule 7, or which he lawfully may or can do as agent for the Borrower.

19. **Scope of powers**

Any exercise of any of the powers given by this Schedule 7 may be on behalf of the Borrower, the directors of the Borrower (in the case of the power contained in paragraph 12) or himself.

Schedule 8

Additional provisions

1. **Independent security**

This debenture shall be in addition to, and independent of, every other security or guarantee which the Lender may hold for any of the Secured Liabilities at any time. No prior security held by the Lender over the whole or any part of the Charged Property shall merge in the security created by this debenture.

2. **Continuing security**

This debenture shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Lender discharges this debenture in writing.

3. **Discharge conditional**

Any release, discharge or settlement between the Borrower and the Lender shall be deemed conditional on no payment or security received by the Lender in respect of the Secured Liabilities being avoided, or reduced or ordered to be refunded pursuant to any provision of any enactment relating to insolvency, bankruptcy, winding-up, administration or receivership. Despite any such release, discharge or settlement:

3.1 the Lender or its nominee may retain this debenture and the security created by or pursuant to, including all certificates and documents relating to the whole or any part of the Charged Property, for such period as the Lender deems necessary to provide the Lender with security against any such avoidance or reduction or order for refund; and

3.2 the Lender may recover the value or amount of such security or payment from the Borrower subsequently as if such settlement, discharge or release had not occurred. The Borrower agrees with the Lender accordingly and charges the Charged Property, and the proceeds of any sale of it, with any liability under this paragraph 3.

4. **Certificates**

A certificate or determination by the Lender as to any amount for the time being due to it from the Borrower shall (in the absence of any manifest error) be conclusive evidence of the amount due.

5. **Rights cumulative**

The rights and powers of the Lender conferred by this debenture are cumulative, may be exercised as often as the Lender considers appropriate, and are in addition to its rights and powers under the general law.

6. **Waivers**

Any waiver or variation of any right by the Lender (whether arising under this debenture or under the general law) is only effective if it is in writing and

signed by the Lender and applies only in the circumstances for which it was given, and shall not prevent the Lender from subsequently relying on the relevant provision.

7. **Further exercise of rights**

No act or course of conduct or negotiation by or on behalf of the Lender shall, in any way, preclude the Lender from exercising any right or power under this debenture or constitute a suspension or variation of any such right or power.

8. **Delay**

No delay or failure to exercise any right or power under this debenture shall operate as a waiver.

9. **Single or partial exercise**

No single or partial exercise of any right under this debenture shall prevent any other or further exercise of that or any other right.

10. **Consolidation**

The restriction on the right of consolidating mortgages contained in section 93 of the Law of Property Act 1925 shall not apply to this debenture.

11. **Partial invalidity**

The invalidity, unenforceability or illegality of any provision (or part of a provision) of this debenture under the laws of any jurisdiction shall not affect the validity, enforceability or legality of the other provisions.

12. **Counterparts**

This debenture may be executed and delivered in any number of counterparts, each of which is an original and which together have the same effect as if each party had signed the same document.

Schedule 9

Notice details

The Borrower:	RST Alliance House Developments Limited c/o Acorn Property Group, 1 Frederick Place, London N8 8AF For the attention of: Melanie Omirou
The Lender:	Paragon Development Finance Limited 40 Gracechurch Street, London EC3V 0BT For the attention of: Head of Property Finance

Schedule 10

Part 1

Notice of assignment to tenants

From: [Name of Borrower]

To: [Details of tenant]

Date:.....

Dear Sirs

[Details of occupations lease] (the "Lease")

We refer to the Lease. We refer also to a charge (the "Charge") dated [ ] made between [ ] Limited (1) and [ ] (the "Lender") (2).

We give you notice that by a first ranking charge and assignment contained in the Charge, all of our present and future right, title, interest and benefit in, under and to the Lease (including the annual rent reserved under the Lease and any interest on such rent ("Rent")) were assigned to the Lender by way of security.

We irrevocably and unconditionally instruct and authorise you:

1. to make all payments in connection with the Lease as the Lender may direct. Until you are notified otherwise by the Lender, the Lender directs such sums to be paid to [*details of Rent Account to be inserted*]);

2. that all our rights, powers, discretions and remedies under and in connection with the Lease are exercisable by (or with the consent of) the Lender;

3. to disclose any information relating to the Lease which the Lender may from time to time request.

No amendment, waiver or release of any right, interest or benefit under or in connection with the Lease and no termination or rescission of the Lease by us shall be effective without the prior written consent of the Lender and in any event no such termination or rescission shall be effective unless you have given notice to the Lender.

Notwithstanding anything in this notice or otherwise we (and not the Lender nor its appointees) shall be liable under the Lease to perform all the obligations assumed by us under it.

The instructions and authorisations contained in this letter shall remain in full force and effect until we and the Lender together give you notice in writing revoking them.

This letter shall be governed by and construed in accordance with the laws of England.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning the same to the Lender.

Signed.....

For and on behalf of [ ] Limited

Schedule 10

Part 2

Receipt of notice of assignment to tenants

From: [Details of tenant]

To: [Name of Lender]

Date: .....

We acknowledge receipt of the notice in the above terms and confirm that:

1. we have not received notice of any previous assignments or charges of or over the Lease and/or the Rent; and

2. that we agree and will comply with the matters set out in that notice.

Signed .....

For and on behalf of [ ]

EXECUTED as a **DEED** by **RST ALLIANCE HOUSE DEVELOPMENTS LIMITED** acting by a director in the presence of:

REDACTED

Director

Witness signature: REDACTED

Name: EILIDH LAWRIE

Address: REDACTED

Occupation: FUNDING ASSISTANT

EXECUTED as a **DEED** by **PARAGON DEVELOPMENT FINANCE LIMITED** acting by its attorney, under a power of attorney dated 10 July 2018 in the presence of:

.....
Attorney

Witness signature:

Name:

Address:

Occupation: