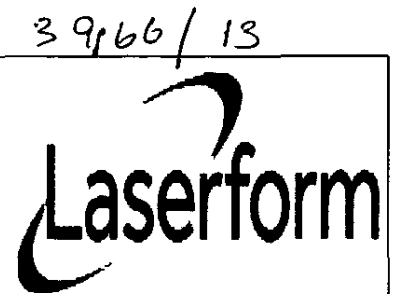


MR01

Particulars of a charge



A fee is payable with this form.
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online
Please go to www.companieshouse.gov.uk

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

☒ **What this form is NOT for**
You may not use this form to
register a charge where there is no
instrument Use form MR08

For further information, please
refer to our guidance at
www.companieshouse.gov.uk

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

☒ You **must** enclose a certified copy of the instrument with this form. This must be scanned and placed on the public record. **Do not send the original.**

SATURDAY



A25 *A4AG41VV* #98
27/06/2015
COMPANIES HOUSE

1 Company details

Company number 0 0 2 2 9 6 0 6

Company name in full BHS LIMITED

49 For official use
→ **Filling in this form**
Please complete in typescript or in
bold black capitals
All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 2 6 0 6 2 0 1 5

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name ALLIED COMMERCIAL EXPORTERS LIMITED

Name

Name

Name

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

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

MR01

Particulars of a charge

4

Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument

Brief description

the leasehold property known as part basement, ground, mezzanine, first, second and third floors, 252 to 258 (even) Oxford Street and 16 and 17 John Prince's Street, London W1C 1DL, registered at the Land Registry with title number NGL816029

Please submit only a short description if there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"

Please limit the description to the available space

5

Other charge or fixed security

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

☒ Yes

☐ No

6

Floating charge

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

☐ Yes Continue

☒ No Go to **Section 7**

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

☐ Yes

7

Negative Pledge

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

☒ Yes

☐ No

8

Trustee statement ①

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

☐

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

9

Signature

Please sign the form here

Signature

Signature

X

Mishcon de Reya

X

This form must be signed by a person with an interest in the charge

MR01

Particulars of a charge



Presenter information

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name David Kanter

Company name Mishcon de Reya

Address 12 Red Lion Square

Summit House

Post town London

County/Region

Postcode W C 1 R 4 Q D

Country

DX 37954 Kingsway

Telephone 0207 440 6032



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☒ The company name and number match the information held on the public Register
- ☒ You have included a certified copy of the instrument with this form
- ☒ You have entered the date on which the charge was created
- ☒ You have shown the names of persons entitled to the charge
- ☒ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☒ You have given a description in Section 4, if appropriate
- ☒ You have signed the form
- ☒ You have enclosed the correct fee
- ☒ Please do not send the original instrument, it must be a certified copy



Important information

Please note that all information on this form will appear on the public record.



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below:

For companies registered in England and Wales:
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland:
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland:
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 229606

Charge code: 0022 9606 0049

The Registrar of Companies for England and Wales hereby certifies that a charge dated 26th June 2015 and created by BHS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 27th June 2015.

Given at Companies House, Cardiff on 6th July 2015



Companies House



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

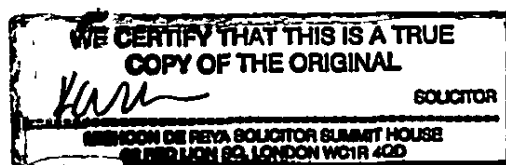
Dated 26 June 2015

(1) **BHS LIMITED**

- and -

(2) **ALLIED COMMERCIAL EXPORTERS LIMITED**

LEGAL CHARGE



Mishcon de Reya
Summit House
12 Red Lion Square
London WC1R 4QD
Tel 020 7440 7000
Fax 020 7404 5982
Ref LC/18417 26
E-mail Nick.Strutt@Mishcon.com

TABLE OF CONTENTS

No	Heading	Page
1	DEFINITIONS AND INTERPRETATION	2
2.	COVENANT TO PAY	6
3	GRANT OF SECURITY	7
4	NO OTHER SECURITY INTERESTS OR DISPOSALS	8
5	COVENANTS RELATING TO INSURANCES	8
6	COVENANTS RELATING TO THE PROPERTY	9
7	POWER TO REMEDY	11
8	REPRESENTATIONS AND WARRANTIES	11
9	ENFORCEMENT	13
10	ADMINISTRATOR OR RECEIVER	14
11	POWERS OF ADMINISTRATOR AND RECEIVER	15
12	APPLICATION OF PROCEEDS	17
13	INDEMNITY	18
14	POWERS OF THE CHARGEES	18
15	POWER OF ATTORNEY	19
16	CONFIRMATION	19
17	INDEPENDENT AND CONTINUING SECURITY	19
18	FURTHER PROVISIONS RELATING TO THE BORROWER	20
19	FURTHER ASSURANCE	22
20	INDULGENCE	23
21	COSTS	23
22	NEW ACCOUNTS	23
23	MISCELLANEOUS	23
24	DEMANDS AND NOTICES	24
25	RIGHTS CUMULATIVE	25
26	CONSOLIDATION	25
27	NO SET OFF	25
28	CHARGEES'S RIGHT OF SET-OFF	25
29	ASSIGNMENT AND TRANSFER	25
30	SEVERABILITY	26
31	RELEASE	26
32	GOVERNING LAW	26
33	ENFORCEMENT	26
34	COUNTERPARTS	26
	SCHEDULE 1 PROPERTY	27

LEGAL CHARGE

DATE:

26 June

2015

PARTIES

- (1) **BHS LIMITED**, a company registered in England and Wales with company number 00229606 and registered office at 129-137 Marylebone Road, London, NW1 5QD (the **Chargor**), and
- (2) **ALLIED COMMERCIAL EXPORTERS LIMITED**, a company registered in England and Wales with company number 00403053 and registered office at Second Floor, 22 Cross Keys Close, London W1U 2DW (the **Chargee**)

RECITAL

It is a condition of the Loan Agreement that the Chargor execute and deliver this Deed, which is given in consideration of the Chargee entering into the Loan Agreement

IT IS AGREED as follows

1 DEFINITIONS AND INTERPRETATION

- 1.1 Unless otherwise provided in this Deed, terms defined in the Loan Agreement shall have the same meaning where used in this Deed

1.2 Definitions

In this Deed, unless the context otherwise requires

"Administrator" has the meaning given to it in Clause 10.1.1 (*Appointment of Administrator or Receiver*),

"BHS Properties" means BHS Properties Limited, a company incorporated in England and Wales with company number 2139762,

"Borrower" means BHS Group Limited, a company registered in England and Wales with company number 03858895,

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

"Charged Property" means all the assets for the time being subject to the Security Interests created by this Deed (and references to the Charged Property include references to any part of it),

"Default Rate" means the default interest rate specified in clause 9 (*Default Interest*) of the Loan Agreement,

"Deposits" means any deposit paid by a purchaser of any estate or interest in the whole or part of the Property whether to the Chargor or any agent of the Chargor or to any person or stakeholder,

"Environment" means the air (including, without limitation, the air within buildings and the air within other natural or man-made structures above or below ground),

water (including, without limitation, ground and surface water) and land (including, without limitation, surface and sub-surface soil) and any other meaning given to the term under Environmental Law,

"Environmental Law" means any law concerning the protection of the Environment or human health, the condition of any Property or of any place of work or the production, storage treatment, transport or disposal of any substance capable of causing harm to any living organism or the Environment,

"Event of Default" has the meaning given to it in the Loan Agreement and the Mezzanine Agreement,

"Finance Documents" means the Loan Agreement, the Mezzanine Agreement, any Security Document (as such term is defined in the Loan Agreement) and any other document designated as such by the Chargee and the Borrower,

"Insurance Policies" means all contracts and policies of insurance or assurance relating to the Property in accordance with clause 16 1 1 of the Loan Agreement and all moneys paid or payable under or pursuant to such policies and all rights and interests in such contracts and policies other than the right to the refund of any premium, in each case, now or at any time hereafter (and from time to time) owned or taken out by the Chargor or in which the Chargor has an interest,

"Loan Agreement" means the loan agreement dated ~~2.6~~ June 2015 and made between the Borrower and the Chargee relating to a £40,000,000 term loan facility and a £15,000,000 uncommitted loan facility, as may be amended, restated and/or varied from time to time,

"Mezzanine Agreement" means the loan agreement dated ~~2.6~~ June 2015 and made between the Borrower and the Chargee relating to a £5,000,000 term loan facility, as may be amended, restated and/or varied from time to time, excluding clause 11 (*Variable Return*) and clause 12 (*Disposal by the Lender*) therein,

"Obligor" means the Borrower, the Chargor and BHS Properties

"Other Security" has the meaning given to it in Clause 18 3 2 (*No discharge of Chargor*),

"Property" means the property described in Schedule 1 (*Property*) and including any part of it and all buildings, structures and fixtures and the proceeds of sale of all or any part thereof,

"Property Interests" means all interests in or over the Property and all rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to the Property, in each case, now or at any time hereafter (and from time to time) owned or held by the Chargor,

"Receiver" has the meaning given to it in Clause 10 1 2 (*Appointment of Administrator or Receiver*),

"Rent" means

- (a) rent receivable or received from any lease of the Property, and

- (b) any licence fee or other income, occupation fee or other fee relating to the grant of any estate, right or interest in the Property,

"Rental Security" any cash deposit, covenant, indemnity, guarantee, charge, mortgage or other matter given as security for the payment of the Rent,

"Secured Liabilities" means all present and future moneys, obligations and liabilities owed by the Obligors to the Chargee, whether actual or contingent and whether owed jointly or severally, as principal or surety and/or in any other capacity whatsoever under or in connection with the Finance Documents and (for the avoidance of doubt) such monies, obligations and liabilities include all those which may arise pursuant to Clause 17.3 (*Discharge conditional*),

"Security Interest" 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, and

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

1.3 Construction

1.3.1 In this Deed (unless the context requires otherwise) any reference to

- (a) the Chargor or the Chargee or any other person shall be construed so as to include their successors in title, permitted assigns and permitted transferees,
- (b) **"assets"** includes present and future properties, revenues and rights of every description,
- (c) an **"amendment"** includes a supplement, restatement, variation, novation or re-enactment (and **"amended"** is to be construed accordingly),
- (d) an **"authorisation"** includes an authorisation, consent, licence, approval, resolution, exemption, filing, registration and notarisation,
- (e) the Loan Agreement, the Mezzanine Agreement, this Deed or any other agreement or instrument is a reference to the Loan Agreement, the Mezzanine Agreement, this Deed or other agreement or instrument as amended from time to time with the agreement of the relevant parties and (where such consent is, by the terms of this Deed or the relevant document, required to be obtained as a condition to such amendment being permitted) the prior consent of the Chargee,
- (f) **"including"** means **"including without limitation"**,
- (g) **"indebtedness"** includes any obligation for the payment or repayment of money, whether as principal or as surety and whether present or future, actual or contingent,

- (h) **"owned"** includes having legal or equitable title to or a right to have legal or equitable title transferred,
- (i) a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing,
- (j) a **"regulation"** includes any regulation, rule, official directive, request, guideline or concession (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation,
- (k) a **"law"** includes a reference to the common law, any statute, bye-law, regulation or instrument and any kind of subordinate legislation, and any order, requirement, code of practice, circular, guidance note, licence, consent or permission made or given pursuant to any of the foregoing,
- (l) a provision of law is a reference to that provision as amended or re-enacted from time to time,
- (m) a time of day is a reference to London time,
- (n) any gender includes a reference to the other genders,
- (o) the singular includes a reference to the plural and vice versa, and
- (p) a Clause or Schedule is to a Clause or Schedule (as the case may be) of or to this Deed

1 3 2 Clause and Schedule headings are for ease of reference only

1 4 **Clawback**

If the Chargee 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 Deed

1 5 **Nature of security over real property**

A reference in this Deed to any freehold, leasehold or commonhold property includes

- 1 5 1 all buildings and fixtures (including trade and tenant's fixtures) which are at any time situated on that property,
- 1 5 2 the proceeds of sale of any part of that property, and
- 1 5 3 the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property or any monies paid or payable in respect of those covenants

1 6 Section 2(1) Law of Property (Miscellaneous Provisions) Act 1989

The terms of the Loan Agreement, the Mezzanine Agreement and of any side letters between any parties in relation to the Loan Agreement and the Mezzanine Agreement are incorporated in this Deed to the extent required to ensure that any purported disposition of the Charged Property contained in this Deed is a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989

1 7 Third party rights

A third party (being any person other than the Chargor and the Chargee and their permitted successors and assigns) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed

1 8 Perpetuity period

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

1 9 Trustee Act 2000

The Chargor and the Chargee agree that the Chargee shall not be subject to the duty of care imposed on the trustees by the Trustee Act 2000.

1 10 Secured Liabilities

References in this Deed to the Secured Liabilities shall be construed in relation to the Loan Agreement and the Mezzanine Agreement so as to include (i) any increase or reduction in any amount made available thereunder and/or any alteration and/or addition to the purposes for which any such amount, or increased or reduced amount, may be used, (ii) any ancillary facilities provided in substitution for or in addition to the facilities originally made available thereunder, (iii) any rescheduling of the indebtedness incurred thereunder whether in isolation or in connection with any of the foregoing and (iv) any combination of any of the foregoing

2 COVENANT TO PAY

2 1 COVENANT TO PAY; FURTHER ADVANCES

2 2 Covenant to pay

The Chargor hereby covenants with the Chargee that it will on demand pay and discharge all Secured Liabilities owing or incurred from or by it to the Chargee when the same become due whether by acceleration or otherwise, together with interest to the date of payment at such rates and upon such terms as may from time to time be agreed, commission, fees, enforcement expenses and other charges and all legal and other costs, charges and expenses, on a full and unqualified indemnity basis, which may be incurred by the Chargee in relation to any such Secured Liabilities or generally in respect of the Chargor

2 3 Interest on secured liabilities

Unless the Chargee expressly agrees otherwise in writing in respect of any Secured Liabilities

2 3 1 interest shall be payable on the Secured Liabilities in accordance with the Loan Agreement and the Mezzanine Agreement (as relevant), and

2 3 2 the Secured Liabilities shall become due and repayable in accordance with the Loan Agreement and the Mezzanine Agreement (as relevant)

2 4 Further advances

This Deed secures further advances to the extent that these are made under the Loan Agreement and/or the Mezzanine Agreement

2 5 Gross up

2 5 1 All Secured Liabilities shall be paid in full without any deduction or withholding whether on account of any taxes duties levies or charges or otherwise unless the Chargor shall be required by law to make such deduction or withholding in which case the amount so payable shall be increased to the extent necessary so that the amount receivable after deduction or withholding is equal to the amount which would have been receivable had no such deduction or withholding been required

2 5 2 If the Chargor makes an increased payment under Clause 2.5 1 (a "Tax Payment") and (i) the Chargee determines that a credit against, relief or remission for, or repayment of Tax (a "Tax Credit") is attributable to the increased payment under Clause 2 5 1 and (ii) the Chargee has obtained and utilised that Tax Credit, the Chargee shall pay an amount to the Chargor which the Chargee determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Chargor.

3 GRANT OF SECURITY

3 1 Charging clause

As a continuing security for the payment or discharge of the Secured Liabilities, the Chargor with full title guarantee hereby

3 1 1 charges to the Chargee, by way of first legal mortgage, the Property listed in Schedule 1 (Property), and

3 1 2 charges to the Chargee, by way of first fixed charge, all its

- (a) Property Interests,
- (b) Deposits,
- (c) Rent (if any),
- (d) Rental Security (if any), and
- (e) Insurance Policies

3 2 Title documents

The Chargor shall deposit with the Chargee (and the Chargee shall during the

continuance of this security be entitled to hold)

3 2 1 or a firm of solicitors approved by the Chargee shall hold, all deeds and documents of title relating to the Charged Property which are in its possession or control (and, if not within its possession and/or control, the Chargor hereby undertakes to obtain possession of such deeds and documents of title), and

3 2 2 copies of all insurance policies relating to any of the Charged Property to which policies it is entitled to possession,

pursuant to and in accordance with the terms of the Loan Agreement

4 NO OTHER SECURITY INTERESTS OR DISPOSALS

4 1 Negative pledge and disposal restrictions

The Chargor hereby covenants with the Chargee that it will not at any time, except with the prior consent of the Chargee or in accordance with the terms of the Loan Agreement

4 1 1 create or purport to create or permit to subsist any Security Interest on or in relation to the Charged Property other than this Deed,

4 1 2 sell, assign, transfer, lease, licence, share occupation of, part with possession or otherwise dispose of (or purport to sell, assign, transfer, lease, licence, share occupation of, part with possession or otherwise dispose of) all or any part of the Charged Property or of the equity of redemption of any such Charged Property or any interest in any such Charged Property, or

4 1 3 create or grant (or purport to create or grant) any interest in the Charged Property in favour of a third party

4 2 Disposal restriction

In respect of the Property or part of or interest in the Property title to which is registered at the Land Registry the Chargor hereby consents to the entry of the following restriction on the register of the Chargor's title to such Property

"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 Allied Commercial Exporters Limited referred to in the charges register or, if appropriate, signed on such proprietor's behalf by its secretary or other authorised signatory [or conveyancer]"

5 COVENANTS RELATING TO INSURANCES

The Chargor hereby covenants with the Chargee that it will

5 1 promptly pay (or procure the payment of) all premiums and do all other things necessary to keep all of the Insurance Policies in force,

5 2 at the request of the Chargee produce to or deposit with the Chargee copies of all Insurance Policies and the receipts for all premiums and other payments necessary

for effecting and keeping up the Insurance Policies, and

- 5 3 pay all sums at any time (whether or not the security constituted by this Deed shall have become enforceable but subject always to the terms of the Loan Agreement) payable under any of the Insurance Policies to the Chargee (and if the same are not paid directly to the Chargee by the insurers then the Chargor shall be trustee of the same for the benefit of the Chargee and shall account to the Chargee accordingly) and shall at the option of the Chargee be applied in making good or recouping expenditure in respect of the loss or damage for which such monies are received or (but subject to Clause 14 4 (*Suspense account*)) in or towards discharge or reduction of any of the Secured Liabilities

6 COVENANTS RELATING TO THE PROPERTY

The Chargor hereby covenants with the Chargee that it will but subject always to the terms of the Loan Agreement

6 1 Maintenance and insurance

keep all buildings on the Property and all fixtures belonging to it thereon and therein in good and substantial repair and condition and insure and keep insured all such buildings and fixtures with such insurer and against such risks and in such amounts and otherwise upon such terms as the Chargee may require (and failing such requirement in accordance with the practice in respect of items of the same type from time to time current amongst prudent men of business) and will procure that the interest of the Chargee is noted upon all policies of such insurance,

6 2 Preservation of property, fixtures and equipment

not without the prior consent of the Chargee pull down or remove the whole or any part of any buildings forming part of the Property make any alterations to the Property or sever or unfix or remove any of the fixtures thereto nor (except for the purpose of effecting necessary repairs thereto or of replacing the same with new or improved models or substitutes) remove,

6 3 Conduct of business on Property

carry on its trade and business on such parts (if any) of the Property as are now or may hereafter be used for the purposes of trade or business in accordance with the standards of good management from time to time current in such trade or business,

Information

within five Business Days after becoming aware thereof give full particulars to the Chargee of any notice, order, direction, designation, resolution or proposal having specific application to the Property or to the locality in which it is situated given or made by any planning authority or other public body or authority whatsoever and (if the Chargee so requires) forthwith and at the cost of the Chargor take all reasonable and necessary steps to comply with any such notice, order, direction, designation or resolution and make or join with the Chargee in making such objections or representations in respect of any such proposal as the Chargee may desire,

6 4 Compliance with covenants; payment of rent

observe and perform all covenants, stipulations and conditions to which each Property or the user thereof is now or may hereafter be subjected and (if the Chargee so requires) produce to the Chargee evidence sufficient to satisfy the Chargee that such covenants, stipulations and conditions have been observed and performed and (without prejudice to the generality of the foregoing) as regards any lease under which the Property or part of the Property is held duly and punctually pay all rents due or to become due thereunder and perform and observe all the covenants and conditions on the part of the tenant which are therein contained,

6 5 Maintenance of interests in the Property

not without the prior consent of the Chargee grant or agree to grant any licence or tenancy affecting the Property or part of the Property nor exercise the powers of leasing or agreeing to lease or of accepting or agreeing to accept surrenders conferred by Sections 99 or 100 of the Law of Property Act 1925 nor in any other way dispose or agree to dispose of or surrender or create any legal or equitable estate or interest in the Property or any part thereof,

6 6 Registration restrictions

procure that no person shall be registered under the Land Registration Act 2002 as proprietor of the Property or any part thereof without the prior consent of the Chargee and the Chargor shall be liable for the costs incurred by the Chargee in lodging from time to time cautions against first registration of the title to the Property or any part thereof,

6 7 Development restrictions

not without the prior consent of the Chargee carry out or permit or suffer to be carried out on the 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 the Property,

6 8 Environment

properly discharge all duties of care and responsibility placed upon it by Environmental Law and 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 the Property and apply for and obtain all authorisations necessary to ensure that it does not breach Environmental Law,

6 9 No Restrictive Obligations

not without the prior consent of the Chargee enter into any onerous or restrictive obligations affecting the Property or any part thereof or create or permit to arise any overriding interest or easement or right whatever in or over the Property or any part thereof,

6 10 Proprietary rights

procure that no person shall become entitled to assert any proprietary or other like right or interest over the Property or any part thereof without the prior consent of the Chargee,

6 11 Payment of Property taxes

promptly pay all taxes, fees, duties, rates, charges and other outgoings in respect of the Property and if so requested by the Chargee produce evidence of payment to the Chargee, and

6 12 Inspection

permit the Chargee, any Administrator and any Receiver (as each of those terms is defined in Clause 10 1 (*Appointment of Administrator or Receiver*)) and any person appointed by either of them to enter upon and inspect the Property upon reasonable prior notice

7 POWER TO REMEDY

If the Chargor is at any time in breach of any of its obligations contained in this Deed, the Chargee shall be entitled (but shall not be bound) to remedy such breach and the Chargor hereby irrevocably authorises the Chargee and its agents to do all such things necessary or desirable in connection therewith. The Chargor shall be liable to the Chargee for the expenses of the Chargee in so doing together with interest at the Default Rate from the date of payment by the Chargee until the date of repayment. The rights of the Chargee contained in this Clause 7 are without prejudice to any other rights of the Chargee hereunder. The exercise by the Chargee of its rights under this Clause shall not make the Chargee liable to account as a mortgagee in possession.

8 REPRESENTATIONS AND WARRANTIES

8 1 Representations and warranties

The Chargor represents and warrants to the Chargee as follows.

8 1 1 Property and security

- (a) It is and will remain the legal and beneficial owner of the Charged Property,
- (b) the Charged Property is free from any Security Interest other than the Security Interests created by this Deed,
- (c) it has not received or acknowledged notice of any adverse claim by any person in respect of the Charged Property or any interest in it,
- (d) subject to the disclosures in the certificate of title relating to the Property provided to the Chargee in accordance with the Loan Agreement on or around the date of this deed, there is no breach of any law or regulation which materially adversely affects the Charged Property,
- (e) subject to the disclosures in the certificate of title relating to the Property provided to the Chargee in accordance with the Loan Agreement on or around the date of this deed, there are no covenants, agreements, reservations, conditions, interests, rights or other matters whatever which materially adversely affect the

Charged Property,

- (f) subject to the disclosures in the certificate of title relating to the Property provided to the Chargee in accordance with the Loan Agreement on or around the date of this deed, 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,
- (g) subject to the disclosures in the certificate of title relating to the Property provided to the Chargee in accordance with the Loan Agreement on or around the date of this deed, nothing has arisen or has been created or is subsisting which would be an overriding interest in the Property,
- (h) all authorisations required for the Chargor's entry into this Deed have been obtained and are in full force and effect,
- (i) the Chargor entering into this Deed will not constitute a breach of any insurances, agreements or authorisations,
- (j) in respect of the Charged Property, the Chargor has at all times complied in all material respects with all applicable Environmental Law,
- (k) this Deed creates the Security it purports to create and is not liable to be amended or otherwise set aside on its liquidation or otherwise,
- (l) it is a company validly incorporated and existing under the laws of England and Wales, with power to enter into this Deed and to exercise its rights and perform its obligations thereunder and it has taken all corporate or other action required to authorise the execution by it of this Deed to which it is party and the performance by it of its obligations thereunder,
- (m) the execution, delivery and performance of the obligations in, and transactions contemplated by this Deed, do not and will not contravene any agreement or instrument binding on it or its assets, or any law or regulation applicable to it and does not contravene its memorandum and articles of association,
- (n) the obligations expressed to be assumed by it in this Deed to which it is party are legal, valid, binding and enforceable obligations subject to Legal Reservations,
- (o) no steps have been taken or legal proceedings been started or threatened against it for the seizure, distress or other enforcement (howsoever described) against any it other than any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 14 days of commencement,
- (p) no litigation, arbitration or administrative proceeding is taking place, pending or, (to the knowledge of the Chargor) threatened against it which is reasonably likely to be adversely determined and if so determined would be reasonably likely to have a material adverse

effect on the financial condition of the Chargor, and

- (q) all information supplied by it or on its behalf to the Lender in connection with the this Deed was true and accurate as at the date it was provided or as at any date at which it was stated to be given

8 1 2 Filings and stamp taxes

- (a) Other than registration of this Deed at the Companies Registry pursuant to section 860 of the Companies Act 2006 and/or at the Land Registry, all authorisations of, registrations with or declarations to, governmental or public bodies or authorities or courts required by the Chargor in connection with the execution, delivery, validity, performance, enforceability or admissibility in evidence of, or the transactions contemplated by, this Deed have been obtained, made or effected (as appropriate) and are in full force and effect
- (b) It is not necessary that this Deed be filed, recorded or enrolled with any court or other authority in any jurisdiction or that any stamp, registration or similar tax be paid on or in relation to this Deed save for those amounts payable at Companies House or the Land Registry in connection with this Deed

8 1 3 Ranking

The obligations of the Chargor under this Deed are, and will be, its direct, general and unconditional obligations ranking ahead of all its other obligations and liabilities, present or future, actual or contingent, except for those obligations mandatorily preferred by law applying to companies generally

8 2 Repetition

The representations and warranties set out in Clause 8 1 (*Representations and warranties*) will be deemed to be repeated by the Chargor on each day of the Security Period by reference to the facts and circumstances then existing.

8 3 Notice of breach

The Chargor will promptly upon becoming aware of the same give the Chargee notice in writing of any breach of any representation or warranty set out in Clause 8 1 (*Representations and warranties*)

9 ENFORCEMENT

9 1 Enforcement events

The security constituted by this Deed shall become enforceable if an Event of Default occurs and is continuing, and thereupon, without prejudice to any other rights of the Chargee, the powers of sale under the Law of Property Act 1925 and all other powers of the Chargee shall immediately be exercisable and the Chargee may in its absolute discretion enforce all or any part of the security created by this Deed as it sees fit

9 2 Statutory power of sale

The statutory power of sale shall, as between the Chargee and a purchaser from the Chargee, arise on and be exercisable at any time after the execution of this Deed, provided that the Chargee shall not exercise such power of sale until the security constituted by this Deed has become enforceable pursuant to Clause 9 1 (*Enforcement events*)

9 3 Extension of statutory powers

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

9 4 No obligation to enquire

No person dealing with the Chargee, any Administrator or any Receiver appointed hereunder, or its agents or brokers, shall be concerned to enquire whether the security constituted by this Deed has become enforceable, or whether any power exercised or purported to be exercised has become exercisable, or whether any money remains due upon this Deed, or as to the necessity or expediency of the stipulations and conditions subject to which any sale of any Charged Property shall be made, or otherwise as to the propriety or regularity of any sale of any of the Charged Property, or to see to the application of any money paid to the Chargee, such Administrator or such Receiver, or its agents or brokers, and such dealing shall be deemed to be within the powers hereby conferred and to be valid and effectual accordingly

9 5 No liability as mortgagee in possession

None of the Chargee, the Administrator or the Receiver 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 upon realisation of, or for any neglect or default of any nature whatsoever in connection with, all or any of the Charged Property for which a mortgagee in possession might as such be liable

10 ADMINISTRATOR OR RECEIVER

10 1 Appointment of Administrator or Receiver

At any time after the security constituted by this Deed becomes enforceable, or at the request of the Chargor, the Chargee may without further notice, under seal or by writing under hand of a duly authorised officer of the Chargee

10 1 1 appoint any person or persons to be an administrator of the Chargor pursuant to the Insolvency Act 1986 (the "**Administrator**", which expression shall, where the context so admits, include any person substituted as administrator under the power herein contained), or

10 1 2 appoint any person or persons to be a receiver or a receiver and manager or (if permitted by law) an administrative receiver of all or any part of the Charged Property of the Chargor (the "Receiver", which expression shall, where the context so admits, include any person substituted as receiver or receiver and manager or administrative receiver under the power herein contained), and

10 1 3 (subject to Section 45 of the Insolvency Act 1986) from time to time remove any person appointed to be Receiver and appoint another in his place

10 2 **More than one appointment**

Where more than one person is appointed Administrator or Receiver, they will have power to act separately (unless the appointment by the Chargee specifies to the contrary)

10 3 **Additional powers**

10 3 1 The powers of sale and appointing an Administrator or a Receiver conferred by this Deed shall be in addition to all statutory and other powers of the Chargee 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 that Act or otherwise

10 3 2 The power to appoint an Administrator or a Receiver (whether conferred by this Deed or by statute) shall be and remain exercisable by the Chargee notwithstanding any prior appointment in respect of all or any part of the Charged Property

10 4 **Agent of the Chargor**

Any Administrator or Receiver shall be the agent of the Chargor and the Chargor shall be solely responsible for his acts and remuneration as well as for any defaults committed by him

11 **POWERS OF ADMINISTRATOR AND RECEIVER**

Any Administrator or Receiver shall in addition to the powers conferred on him by the Law of Property Act 1925 and (if applicable) the Insolvency Act 1986 have 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 he is appointed and in particular

11 1 **Power to repair and develop the Property**

to undertake or complete any works of repair, building or development on the Property,

11 2 **Power to surrender leases**

to grant or to accept surrenders of any leases or tenancies affecting the Property upon such terms and subject to such conditions as he thinks fit,

11 3 **Power to employ**

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

11 4 Power to make VAT elections

to make such elections for value added tax purposes as he thinks fit,

11 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 Chargee may prescribe or agree with him,

11 6 Power to realise Charged Property

to collect and get in such Charged Property or any part thereof and for that purpose to make such demands and take any proceedings as may seem expedient and to take possession of such Charged Property with like rights,

11 7 Power to manage

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

11 8 Power to dispose of Charged Property

to grant options and licences over all or any part of such 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 such Charged Property 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 Chargor) and to carry any such sale, assignment, leasing or surrender into effect Any such sale may be for such consideration as he shall think fit and he may promote or concur in promoting a company to purchase the property to be sold,

11 9 Power to make settlements

to make any arrangement, settlement or compromise between the Chargor and any other person which he may think expedient,

11 10 Power to make calls on Chargor members

to make calls conditionally or unconditionally on the members of the Chargor concerned 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 Chargor concerned on its directors in respect of calls authorised to be made by them,

11 11 Power to appoint

to appoint managers, officers, servants, workmen and agents for the aforesaid purposes at such salaries and for such periods and on such terms as he may

determine,

11 12 Power to insure

if he thinks fit, but without prejudice to the indemnity contained in Clause 13 (*Indemnity*), to effect with any insurer any policy or policies of insurance either in lieu or satisfaction of or in addition to such indemnity,

11 13 Powers under statute

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

11 14 Power to borrow

for any of the purposes authorised by this Clause to raise money by borrowing from the Chargee or from any other person on the security of all or any of the Charged Property in respect of which he is appointed upon such terms (including, if the Chargee shall consent, terms under which such security ranks in priority to this Deed) as he shall think fit,

11 15 Power to redeem prior Security Interests

to redeem any prior Security Interest and to settle and pass the accounts to which the Security Interest relates and any accounts so settled and passed will be conclusive and binding on the Chargor and the moneys so paid will be deemed to be an expense properly incurred by him;

11 16 Incidental powers

to do all such other acts and things as he may consider to be incidental or conducive to any of the matters or powers aforesaid or which he lawfully may or can do as agent for the Chargor, and

11 17 Scope of powers

to exercise any of the above powers on behalf of the Chargor or on his own behalf or in the case of the power contained in Clause 11 10 (*Power to make calls on Chargor members*) on behalf of the directors of the Chargor

12 APPLICATION OF PROCEEDS

12 1 Order of application

The Receiver shall apply all monies received by him (other than insurance monies)

12 1 1 *first*, in paying all rents, taxes, rates and outgoings affecting any Charged Property,

12 1 2 *secondly*, in paying all costs, charges and expenses of and incidental to his appointment and the exercise of his powers and all outgoings paid by him,

12 1 3 *thirdly*, in paying his remuneration (as agreed between him and the Chargee),

12 1 4 *fourthly*, in or towards discharge of the Secured Liabilities, the priority of repayment of which shall be firstly, the Secured Liabilities under the Loan Agreement, secondly, the Secured Liabilities under the Mezzanine Agreement, and thirdly any other Secured Liabilities, and

12 1 5 *finally*, in paying any surplus to the Chargor or any other person entitled to it

12 2 **Section 109(8) Law of Property Act 1925**

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

13 **INDEMNITY**

The Chargor hereby agrees to indemnify and hold harmless the Chargee, any Administrator and any Receiver from and against all actions, claims, expenses, demands and liabilities whether arising out of contract or in tort or in any other way incurred or which may at any time be incurred by him or by any manager, agent, officer, servant or workman for whose debt, default or miscarriage he may be answerable for anything done or omitted to be done in the exercise or purported exercise of his powers under the provisions of this Deed or pursuant hereto

14 **POWERS OF THE CHARGE**

14 1 **Power to dispose of chattels**

At any time after the security constituted by this Deed shall have become enforceable the Chargee, any Administrator or any Receiver may dispose of any chattels or produce found on any Property as agent for the Chargor and, without prejudice to any obligation to account for the proceeds of any sale of such chattels or produce the Chargee, the Administrator or the Receiver shall be indemnified by the Chargor against any liability arising from such disposal

14 2 **Prior Security Interests**

At any time after the security constituted by this Deed shall have become enforceable or after any powers conferred by any Security Interest having priority to this Deed shall have become exercisable the Chargee may redeem such or any other prior Security Interest or procure the transfer thereof to itself and may settle and pass the accounts of the encumbrancer and any account so settled and passed shall be conclusive and binding on the Chargor and all monies paid by the Chargee to the encumbrancer in accordance with such accounts shall as from such payment be due from the Chargor to the Chargee on current account and shall bear interest and be secured as part of the Secured Liabilities

14 3 **Currencies of denomination**

For the purpose of or pending the discharge of any of the Secured Liabilities the Chargee may convert any monies received, recovered or realised by the Chargee under this Deed (including the proceeds of any previous conversion under this Clause) from their existing currencies of denomination into such other currencies of

denomination as the Chargee may think fit and any such conversion shall be effected at the then prevailing spot selling rate of exchange for such other currency against the existing currency of such bank as the Chargee may select. Each previous reference in this Clause 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.

14.4 Suspense account

All monies received recovered or realised by the Chargee under this Deed (including the proceeds of any conversion pursuant to Clause 14.3 (*Currencies of denomination*)) may at the discretion of the Chargee be credited to any suspense or impersonal account and shall bear interest at such rate, if any, as may be agreed in writing between the Chargee and the Chargor and may be held in such account for so long as the Chargee thinks fit pending the application from time to time (as the Chargee shall be entitled to do as it may think fit) of such monies and accrued interest thereon (if any) in or towards the discharge of any of the Secured Liabilities.

15 POWER OF ATTORNEY

The Chargor hereby irrevocably appoints the Chargee and (jointly and severally) each and every Administrator or Receiver of this Deed to be the attorney of the Chargor and in its name and on its behalf and as its act and deed or otherwise to sign, execute, seal, deliver, complete any blanks in and otherwise perfect any deed, transfer, assurance, agreement, instrument or act which such Administrator or Receiver or the Chargee may consider expedient in the exercise of any of his or its powers or in respect of the Chargor's obligations under this Deed. The power of attorney hereby granted is to secure the performance of obligations owed to the donees within the meaning of the Powers of Attorney Act 1971.

16 CONFIRMATION

The Chargor covenants with the Chargee and with any Administrator or Receiver that if required to do so it shall ratify and confirm

16.1 all transactions entered into by the Chargee and/or any Administrator or Receiver in the proper exercise of its or their powers in accordance with this Deed, and

16.2 all transactions entered into by the Chargee and/or any Administrator or Receiver in signing, sealing, delivering and otherwise perfecting any assignment, mortgage, charge, security, document or other act.

17 INDEPENDENT AND CONTINUING SECURITY

17.1 Independent security

This Deed shall be in addition to and independent of every other security or guarantee which the Chargee may at any time hold for any of the Secured Liabilities and it is hereby declared that no prior security held by the Chargee over the whole or any part of the Charged Property shall merge in the security created by this Deed.

17.2 Continuing security

This Deed shall remain in full force and effect as a continuing security for the

Secured Liabilities, notwithstanding any settlement of account or intermediate payment or other matter or thing whatsoever, unless and until the Chargee discharges this Deed in writing

17 3 Discharge conditional

Any release, discharge or settlement between the Chargor and the Chargee shall be deemed conditional upon no payment or security received by the Chargee 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 and, notwithstanding any such release, discharge or settlement

17 3 1 the Chargee or its nominee shall be at liberty to retain this Deed and the security created by or pursuant to this Deed, including all certificates and documents relating to the Charged Property or any part thereof, for such period as the Chargee shall deem necessary to provide the Chargee with security against any such avoidance or reduction or order for refund, and

17 3 2 the Chargee shall be entitled to recover the value or amount of such security or payment from the Chargor subsequently as if such settlement, discharge or release had not occurred and the Chargor agrees with the Chargee accordingly and charges the Charged Property and the proceeds of sale thereof with any liability under this Clause, whether actual or contingent

18 FURTHER PROVISIONS RELATING TO THE BORROWER

18 1 Enforcement

The Chargor shall not be obliged, before making demand or taking any other steps to enforce its rights under this Deed

18 1 1 to make any demand for repayment or take any action on or against the Borrower or any other person to recover any of the Secured Liabilities,

18 1 2 to take any proceedings or exhaust any claim, right or remedy against the Borrower or any other person, or

18 1 3 to take any action under or enforce any Other Security (as defined in Clause 18 3 (*No discharge of Borrower*)) held by it

18 2 Changes

The Secured Liabilities shall include those undertaken by the Borrower under a different name or style to that stated in the Loan Agreement and the Chargor's liability hereunder shall continue without any prejudice and this Deed shall be available to the Chargee despite any change in the name or business of the Borrower or change in the constitution of the Borrower (whether by amalgamation, consolidation, reconstruction or otherwise)

18 3 No discharge of Chargor

The Chargor shall not be released or discharged from any of its obligations under this Deed, nor shall any of such obligations be diminished, prejudiced or affected, by

reason of any of the following (whether or not known to the Chargee)

- 18 3 1 the liquidation or insolvency of the Borrower, the presentation of a petition for the making of an administration order or a winding up order in respect of the Borrower, the filing of a notice of appointment, any application for the appointment or the appointment of, an administrator in respect of the Borrower, the entering into administration of the Borrower, or the Borrower becoming subject to a company voluntary arrangement or scheme of arrangement or undergoing a merger or amalgamation or any change in its constitution,
- 18 3 2 the Chargee having or taking or failing to take any other guarantee or any mortgage, charge, pledge, lien, deposit, note, right or remedy from or against any person in respect of the Secured Liabilities (each an "**Other Security**"),
- 18 3 3 any Other Security being or becoming invalid or unenforceable for any reason,
- 18 3 4 any failure by the Chargee to enforce or perfect, or delay by the Chargee in enforcing, any Other Security or any amendment, exchange, variation, waiver or release of or in relation to any Other Security,
- 18 3 5 the giving of any time, indulgence, waiver or concession to the Borrower or any other person or the making of any compromise or arrangement with the Borrower or any other person,
- 18 3 6 any amendment or variation of the Loan Agreement, the Mezzanine Agreement or any of the terms of this Deed (however fundamental) or of any other document which creates, evidences or gives rise to any Secured Liability, with or without the prior knowledge or consent of the Chargor (so that any such amendment or variation shall be binding on the Chargor, even if it increases or otherwise affects the liability or contingent liability of the Chargor), or
- 18 3 7 anything which would not have discharged or affected or prejudiced the Chargor's liability if the Chargor had been a principal debtor to the Chargee

18 4 **Non-competition**

No Chargor shall

- 18 4.1 take or receive the benefit of any mortgage, charge or other security of whatsoever nature from the Borrower,
- 18 4 2 be subrogated to any rights of the Chargee or security held by the Chargee on account of the Secured Liabilities by reason of any payment made (or liable to be made) by the Chargor under this Deed, or
- 18 4 3 claim, receive or take the benefit of any payment from or on account of the Borrower or be entitled to any right of contribution or indemnity from the Borrower or claim, rank, prove or vote as a creditor of the Borrower or exercise any right of set-off against the Borrower, in each case by reason of any payment made (or liable to be made) by the Chargor under this Deed

18 5 Rights of Chargee

18 5 1 If the Borrower is wound up or reconstructed in insolvency proceedings, or the Borrower makes any composition or arrangement with its creditors, then notwithstanding any payment which may have been made under this Deed, the Chargee may rank as a creditor and prove for the full amount of the Secured Liabilities. Any dividends or payments which the Chargee may receive from the Borrower or any other person shall be taken and applied as payments in gross and shall not prejudice the right of the Chargee to recover from the Chargor to the full extent of the security hereby created the ultimate balance of the Secured Liabilities which, after the receipt of such dividends or payments, remains outstanding.

18 5 2 The Chargee may

- (a) refrain from applying or enforcing any other moneys, rights or Other Security received or held by the Chargee, or apply and enforce the same in such manner and order as it thinks fit, and
- (b) hold in a suspense account any moneys received from the Chargor or on account of the Chargor's liability under this Deed without any obligation to apply it towards discharge of the Secured Liabilities

18 5 3 The Chargor may not direct the application by the Chargee of any moneys received by the Chargee from the Chargor or on account of the Chargor's liability under this Deed and the Chargee may appropriate all payments received in respect of the Secured Liabilities in reduction of any part of the Borrower's obligations as the Chargee decides

18 5 4 Any security that is or has been taken by the Chargor or the benefit of which has been received by the Chargor and the proceeds of any payment received by the Chargor, in each case in breach of Clause 18 4 (*Non-competition*) shall be held in trust for the Chargee

18 6 Reinstatement

Any release, discharge or settlement between the Chargee and the Chargor shall be subject to the condition that it shall be of no effect if any payment or discharge of any of the Secured Liabilities by the Borrower, the Chargor or any other person shall be avoided, invalidated or reduced by virtue of any enactment or rule of law. If there should be any such avoidance, invalidation or reduction, the Chargee shall be entitled to enforce this Deed subsequently as if the release, discharge or settlement had not occurred so as to recover from the Chargor the full value of the payment avoided, invalidated or reduced. Similarly, any release, discharge or settlement in relation to this Deed which is avoided, invalidated or reduced by virtue of any enactment or rule of law shall not affect the right of the Chargee to enforce any other security against the Chargor

19 FURTHER ASSURANCE

As and when required by the Chargee the Chargor, at its own cost, shall execute such further legal or other mortgages, charges or transfers in favour of the Chargee as the Chargee shall from time to time require over all or any part of the Charged Property, or the property intended to be the subject of this Deed, to further secure

the payment of the Secured Liabilities, such further mortgages, charges or transfers to be prepared at the cost of the Chargor and to contain a power of sale and such other clauses for the benefit of the Chargee as the Chargee may reasonably require

20 INDULGENCE

The Chargee may in its discretion grant time or other indulgence or make any other arrangement, variation or release with any person or persons not party hereto (whether or not such person or persons are jointly liable with the Chargor and/or the Borrower) in respect of any of the Secured Liabilities or of any other security therefor without prejudice either to this Deed or to the liability of the Chargor for the Secured Liabilities

21 COSTS

The Chargor shall pay or reimburse to the Chargee and any Administrator or Receiver on demand, on a full indemnity basis, all costs, charges and expenses (including legal fees) in any way incurred by the Chargee and/or the Administrator or Receiver in relation to this Deed or the Charged Property or in protecting, perfecting preserving or enforcing (or attempting to do so) any of the Chargee's rights under this Deed or in suing for or recovering any of the Secured Liabilities (including, without limitation, the costs of any proceedings in relation to this Deed or the Secured Liabilities)

22 NEW ACCOUNTS

22 1 If the Chargee receives notice of any subsequent charge or other interest affecting all or part of the Charged Property the Chargee may open a new account or accounts for the Chargor in its books and (without prejudice to the Chargee's right to combine accounts) no money paid to the credit of the Chargor in any such new account will be appropriated towards or have the effect of discharging any part of the Secured Liabilities. If the Chargee does not open a new account or accounts immediately on receipt of such notice then unless the Chargee gives express notice to the contrary to the Chargor as from the time of receipt of such notice by the Chargee all payments made by the Chargor to the Chargee in the absence of any express appropriation by the Chargor to the contrary shall be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Liabilities

22 2 Chargee set-off rights

If the Chargee shall have more than one account for the Chargor in its books the Chargee may at any time after the security constituted by this Deed has become enforceable or the Chargee has received notice of any subsequent charge or other interest affecting all or any part of the Charged Property and without prior notice in that behalf forthwith transfer all or any part of the balance standing to the credit of any such account to any other account which may be in debit but the Lender shall notify the Chargor of the transfer having been made

23 MISCELLANEOUS

23 1 Benefit of Deed

The benefit of this Deed will be held by the Chargee on and subject to the terms of

the Loan Agreement and Mezzanine Agreement as security for the Secured Liabilities

23 2 Certificates conclusive

A certificate by the Chargee as to any amount for the time being due to it from the Chargor shall be conclusive evidence of the amount so due in the absence of any manifest error

24 DEMANDS AND NOTICES

24 1 Writing

Any demand, notice, consent or communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made by fax or letter

24 2 Mode of service

Any demand for payment and any other demand, notice, consent or communication made or given on or to the Chargor under or in connection with this Deed may be left at any of the addresses referred to in Clause 24 3 (*Addresses*) or sent there by first class post or facsimile Any such demand shall be validly made whether or not it contains an accurate statement of the amount of the Secured Liabilities

24 3 Addresses

The addresses referred to in Clause 24 2 (*Mode of service*) are

24 3 1 the Chargor's registered office,

24 3 2 any address at which the Chargor carries on business;

24 3 3 any address shown on any current letterhead of the Chargor, and

24 3 4 the address of the Chargor shown in this Deed or, if the Chargor has given notice to the Chargee of any other address for service, the most recent address so notified

24 4 Proof of service

In proving service of a document it shall be sufficient to prove that it was left at the relevant location or that it was properly addressed, stamped and posted or transmitted by facsimile

24 5 Deemed service

Any demand or notice

24 5 1 if left at the relevant address, shall be deemed given when so left,

24 5 2 if sent by post, shall be deemed given when it would be delivered in the normal course of post, and

24 5 3 if sent by facsimile before 5 00 p m on a Business Day in the place of

receipt, shall be deemed given on that day, and if so sent at any other time shall be deemed given at the opening of normal business hours on the next following Business Day

25 RIGHTS CUMULATIVE

The rights and powers which this Deed confers on the Chargee are cumulative, may be exercised as often as the Chargee considers appropriate, and are in addition to its rights and powers under the general law. The rights of the Chargee (whether arising under this Deed or under the general law) shall not be capable of being waived or varied otherwise than by an express waiver or variation in writing; and, in particular, any failure to exercise or any delay in exercising any such right shall not operate as a variation or waiver of that or any other such right, any defective or partial exercise of any such right shall not preclude any other or further exercise of that or any other such right, and no act or course of conduct or negotiation on its part or on its behalf shall in any way preclude the Chargee from exercising any such right or constitute a suspension or variation of any such right

26 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 Deed

27 NO SET OFF

The Chargor waives any right of set off it may have now or at any time in the future in respect of the Secured Liabilities (including sums payable by the Chargor under this Deed)

28 CHARGEES RIGHT OF SET-OFF

The Chargee may set off any obligation due from the Chargor under this Deed, the Loan Agreement or the Mezzanine Agreement against any obligation owed by the Chargee to the Chargor

29 ASSIGNMENT AND TRANSFER

29.1 Assignment by Chargee

The Chargee may at any time without the consent of the Chargor, assign or transfer the whole or any part of its rights under this Deed to any person provided that if (i) the Chargee assigns or transfers any of its rights or obligations under the Finance Documents, and (ii) as a result of circumstances existing at the date the assignment or transfer occurs the Chargor would be obliged to make a payment to the new Chargee under Clause 2.5 (Gross up), then the new Chargee is only entitled to receive payment under that Clause to the same extent as the existing Chargee would have been entitled if the assignment or transfer had not occurred

29.2 Assignment by Chargor

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

30 **SEVERABILITY**

If any of the provisions of this Deed is or becomes invalid or unenforceable, the validity and enforceability of the remaining provisions shall not be affected or impaired thereby

31 **RELEASE**

Subject to Clause 17 3 (*Discharge conditional*), upon the expiry of the Security Period (but not otherwise) the Chargee shall at the request and cost of the Chargor, take whatever action is necessary to release the Charged Property from the security constituted by this Deed

32 **GOVERNING LAW**

This Deed is governed by, and shall be construed in accordance with, English law

33 **ENFORCEMENT**

33 1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed) (a "**Dispute**")

33 2 The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary

33 3 This Clause 33 (*Enforcement*) is for the benefit of the Chargee only. As a result, the Chargee shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Chargee may take concurrent proceedings in any number of jurisdictions

34 **COUNTERPARTS**

This Deed may be executed in one or more counterparts all of which when taken together shall be deemed to constitute one and the same instrument

In Witness whereof this **DEED** has been executed by the Chargor and is intended to be and is hereby **DELIVERED AS A DEED** the day and year first above written and has been signed on behalf of the Chargee

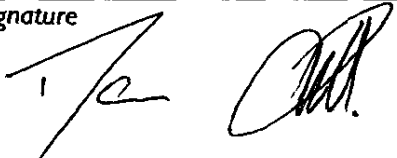
**SCHEDULE I
PROPERTY**

the leasehold property known as part basement, ground, mezzanine, first, second and third floors, 252 to 258 (even) Oxford Street and 16 and 17 John Prince's Street, London W1C 1DL, registered at the Land Registry with title number NGL816029

SIGNATURE PAGE TO LEGAL CHARGE

The Chargor

EXECUTED as a deed by
BHS LIMITED
acting by a director, in the presence of

Signature		Director
Print name	Dominic Chappell	

Witness signature



Name (in BLOCK CAPITALS)

ANNE CHITAN

Address

90 High Holborn

London WC1V 6 XX

The Chargee

EXECUTED as a deed by
**ALLIED COMMERCIAL EXPORTERS
LIMITED**
acting by a director, in the presence of

Signature		Director
Print name		

Witness signature

Name (in BLOCK CAPITALS)

Address