



Registration of a Charge

Company name: **Avenue Investments Limited**

Company number: **00533085**



X63VBOWB

Received for Electronic Filing: **07/04/2017**

Details of Charge

Date of creation: **05/04/2017**

Charge code: **0053 3085 0069**

Persons entitled: **SANNE FIDUCIARY SERVICES LIMITED**

Brief description:

Contains fixed charge(s).

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: **JAYNE BACKETT**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 533085

Charge code: 0053 3085 0069

The Registrar of Companies for England and Wales hereby certifies that a charge dated 5th April 2017 and created by Avenue Investments Limited was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 7th April 2017 .

Given at Companies House, Cardiff on 10th April 2017

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

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Date: 5 April 2017

The persons listed in Schedule 1

as Assignors

Sanne Fiduciary Services Limited

as Security Agent

**Subordinated Creditors Security
Agreement**

in respect of up to £16,800,000 senior secured term loan facilities

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THIS DEED is made the 5 day of April 2017

BETWEEN:

- (1) **THE PERSONS LISTED IN SCHEDULE 1**, as assignors (the "**Assignors**" and each an "**Assignor**"); and
- (2) **SANNE FIDUCIARY SERVICES LIMITED** as security agent for the Finance Parties whose registered office is at 13 Castle Street, St Helier, Jersey JE4 5UT (the "**Security Agent**").

BACKGROUND:

- (A) The Original Lenders have agreed to make available to the Borrower (as defined below) a loan facility in accordance with the terms of the Facility Agreement (as defined below).
- (B) It is a condition precedent to that loan facility being made available that the Assignors enter into this Deed.

IT IS AGREED as follows:

1. Interpretation

1.1 Definitions

Terms defined in the Facility Agreement have the same meaning when used in this Deed unless given a different meaning in this Deed, and in this Deed:

"**Assigned Contracts**" means, together, each of:

- (a) the loan agreement dated on or about the date of this Deed entered into between the Assignors and the Borrower;
- (b) each Acquisition Document;

and any other document or agreement evidencing or recording the terms of any indebtedness for borrowed money owed by the Borrower to an Assignor (whether documented or not) and an "**Assigned Contract**" means each of them;

"**Assigned Property**" has the meaning given in Clause 3.2(a) (*Assignment*);

"**Borrower**" means Metropolitan and City Properties Limited (company number 00685515);

"**Facility Agreement**" means a facility agreement on or about the date of this Deed between, amongst others, Metropolitan and City Properties Limited (as Borrower), the persons listed in Schedule 1 to that facility agreement (as Original Lenders), Sanne Fiduciary Services Limited (as Agent and Security Agent) and ICG Alternative Investment Limited (as Lenders' Representative);

"**LPA**" means the Law of Property Act 1925;

"**Party**" means a party to this Deed;

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"Receiver" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Security Assets;

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

- (a) the proceeds of sale of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of that asset; and
- (d) all monies and proceeds paid or payable in respect of that asset,

including all rights against any trustee, nominee, fiduciary or clearing system;

"Security Assets" means all of the assets of an Assignor which from time to time are, or are expressed to be, subject to the Security created or expressed to be created in favour of the Security Agent pursuant to this Deed;

"Secured Liabilities" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Security Provider to the Finance Parties (or any of them) under, or in connection with, each Finance Document, whether originally owing to a Finance Party or purchased (whether by assignment, transfer or otherwise) or acquired in any other way by it; denominated in sterling or any other currency; or incurred on any current or other banking account or in any other manner whatsoever, together with all present and future obligations and liabilities of the Assignors to the Security Agent under this Deed; and

"Security Period" means the period beginning on the date of this Deed and ending on the date on which the Security Agent is satisfied that all the Secured Obligations have been unconditionally and irrevocably paid, released and discharged in full and no further Secured Obligations are capable of becoming outstanding.

1.2 Construction

- (a) The provisions of Clause 1.2 (*Construction*) of the Facility Agreement shall apply, with any necessary amendments, in this Deed.
- (b) Any reference in this Deed to an **"Assignor"**, a **"Borrower"**, the **"Security Agent"**, a **"Party"**, a **"Finance Party"**, or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Finance Documents (as relevant) and, in the case of the Security Agent, any person for the time being appointed as Security Agent in accordance with the Facility Agreement.
- (c)
 - (i) Section 1 of the Trustee Act 2000 shall not apply to any function of the Security Agent. Where there is any inconsistency between the Trustee Act 1925 or the Trustee Act 2000 and the provisions of this Deed, the provisions of this Deed shall, to the extent allowed by law, prevail and, in the case of any

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inconsistency with the Trustee Act 2000, the provisions of this Deed shall constitute a restriction or exclusion for the purposes of the Trustee Act 2000.

(ii) For the avoidance of doubt:

- (A) the Security Agent may retain or invest in securities payable to bearer without appointing a person to act as a custodian; and
- (B) sections 22 and 23 of the Trustee Act 2000 shall not apply to this Deed.

1.3 Third party rights

- (a) Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or enjoy the benefit of any term of this Deed.
- (b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.
- (c) Any Receiver, Delegate, Finance Party or any officer, employee or agent of such Receiver, Delegate or Finance Party may, subject to this sub-clause and the Third Parties Act, rely on any clause of this Deed which expressly confers rights on it.

1.4 Related Rights

A reference in this Deed to any Security Asset includes all Related Rights in respect of that Security Asset and a reference in this Deed to any mortgage, charge or assignment of any Security Asset shall include all Related Rights in respect of that Security Asset.

1.5 Joint and Several Liability

The Assignors shall be jointly and severally liable for their obligations under this Deed.

1.6 Execution

It is intended that this document takes effect as a deed even though a Party may only execute it under hand.

1.7 Benefit

The provisions of this Deed are for the benefit of the Security Agent as security trustee for and on behalf of the Finance Parties.

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1.8 Limited Recourse

Notwithstanding any other provision of this Deed it is agreed that (absent fraud or willful misconduct on the part of the Assignors):

- (a) the recourse of the Security Agent to the Assignors under this Deed is limited to the Assignors' interest in the Security Assets; and
- (b) the liability of the Assignors to the Finance Parties pursuant to or otherwise in connection with the Finance Documents shall be:
 - (i) limited in aggregate to an amount equal to that recovered as a result of enforcement of this Deed with respect to the Security Assets; and
 - (ii) satisfied only from the proceeds of sale or other disposal or realisation of the Security Assets pursuant to this Deed.

1.9 Security Agent Approval or Consent

Any reference within this Deed to the Security Agent providing approval or consent or making a request, or to an item or a person being acceptable to, satisfactory to, to the satisfaction of or approved by the Security Agent, are to be construed, unless otherwise specified, as references to the Security Agent taking such action or refraining from acting on the instructions of the Lenders' Representative and reference in this Deed to:

- (a) the Security Agent acting reasonably;
- (b) a matter being in the reasonable opinion of the Security Agent;
- (c) the Security Agent's approval or consent not being unreasonably withheld or delayed; or
- (d) any document, report, confirmation or evidence being required to be reasonably satisfactory to the Security Agent,

are to be construed, unless otherwise specified in this Deed, as the Security Agent acting on the instructions of the Lenders' Representative, who is acting reasonably, and where the Security Agent is obliged to consult under the terms of this Deed, unless otherwise specified, the Lenders' Representative must instruct the Security Agent to consult in accordance with the terms of this Deed and the Security Agent must carry out that consultation in accordance with the instructions it receives from the Lenders' Representative.

2. Covenant to pay

2.1 Secured Liabilities

Each Assignor shall:

- (a) pay the Secured Liabilities when due or if they do not specify a time, on written demand by the Security Agent; and
- (b) indemnify and keep each Finance Party indemnified from and against all actions, charges, claims, costs, damages, proceedings and other liabilities occasioned by any

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breach of any covenant or other obligation of the Assignors under the Finance Documents.

3. Creation of Security

3.1 Security generally

All the Security created, or expressed to be created, under this Deed:

- (a) is created in favour of the Security Agent;
- (b) is created over the present and future assets of the Assignors;
- (c) is security for the payment of all the Secured Liabilities; and
- (d) is held by the Security Agent on trust for the Finance Parties.

3.2 Assignment

- (a) To secure the due and punctual payment, performance and discharge of the Secured Liabilities, each Assignor with full title guarantee assigns absolutely to the Security Agent all of its or his respective rights and interests under the Assigned Contracts, including, but not limited to:

- (i) all amounts payable to such Assignor under or otherwise relating to or arising from the relevant Assigned Contract;
- (ii) all moneys and other property at any time and from time to time receivable or distributable in respect of the relevant Assigned Contract;
- (iii) all causes of action arising under the relevant Assigned Contract; and
- (iv) all moneys and claims for damages arising out of any breach of the relevant Assigned Contract and for moneys due and to become due under the relevant Assigned Contract (the "**Assigned Property**").

to hold the same subject only to the proviso for reassignment contained in Clause 18.1 (*Release*).

- (b) To the extent that the relevant Assigned Contract described in paragraph (a) above is not capable of assignment, the assignment of that right purported to be effected by paragraph (a) above shall operate as an assignment of any damages, compensation, remuneration, profit, rent or income which an Assignor may derive from that right or be awarded or entitled to in respect of that right.
- (c) To the extent that they do not fall within any other part of this sub-clause or are not effectively assigned under paragraphs (a) or (b) above, each Assignor charges by way of first fixed charge all of its rights under each agreement or document to which it is a party related to or in connection with the Assigned Property.
- (d) If an Assignor assigns an agreement or document under this Deed (or charges it) and the assignment or charge breaches a term of that agreement or document because a third party's consent has not been obtained:

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- (i) the Assignor must notify the Security Agent immediately;
 - (ii) unless the Security Agent otherwise requires, the Assignor shall use all reasonable endeavours to obtain the consent as soon as practicable; and
 - (iii) the Assignor must promptly supply to the Security Agent a copy of the consent obtained by it.
- (e) Notwithstanding anything to the contrary in this Deed:
- (i) each Assignor shall remain liable under or in respect of, and to perform all its or his respective obligations under the relevant Assigned Contract;
 - (ii) the Security Agent shall not be under any obligation or liability under or in respect of the Assigned Contracts or liable to make any payment under or in respect of the Assigned Contracts;
 - (iii) the Security Agent shall not be obliged to enforce against either Borrower any term of the Assigned Contracts or to make any inquiries as to the nature and sufficiency of any payment received by it; and
 - (iv) if the Security Agent performs any obligation of an Assignor under either of the Assigned Contracts the Assignor shall not be released from such obligation and the Security Agent shall have no obligation to perform any other obligation of the Assignor under the relevant Assigned Contract.

4. Continuing Security

4.1 Continuing Security

The Security created, or expressed to be created, by this Deed is a continuing security and will extend to the ultimate balance of the Secured Liabilities, regardless of any intermediate payment or discharge in whole or in part.

4.2 Additional security

The Security created, or expressed to be created, by this Deed:

- (a) is in addition to, and is not in any way prejudiced by, any other Security or other right now or subsequently held by any Finance Party; and
- (b) may be enforced against any Assignor without having recourse to any other rights of any Finance Party.

4.3 Survival of obligations

The payment obligations of the Assignors under the Finance Documents shall survive the enforcement of the whole or any part of the Security Assets.

5. Further assurance

- 5.1** Each Assignor shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may

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specify (and in such form as the Security Agent may require in favour of the Security Agent or its nominee(s)):

- (a) to perfect the Security created or intended to be created under or evidenced by this Deed (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of this Deed) or for the exercise of any rights, powers and remedies of the Security Agent or the Finance Parties provided by or pursuant to the Finance Documents or by law;
- (b) to confer on the Security Agent or confer on the Finance Parties Security over any property and assets of the Assignor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to this Deed; and/or
- (c) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security created or expressed to be created by this Deed.

5.2 Each Assignor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Finance Parties by or pursuant to the Finance Documents.

5.3 Entry into this Deed by an Assignor that is party to an Assigned Contract constitutes notice to it of the Security created or expressed to be created by this Deed and any other Security Document over such Assigned Contract and the Assignor by entering into this Deed, acknowledges receipt of such notice.

6. Restrictions on dealing

6.1 Security

No Assignor shall create or permit to subsist any Security over any Security Asset, other than any Security permitted by the Finance Documents.

6.2 Disposals

No Assignor shall (and shall agree to) enter into a single transaction or series of transactions (whether related or not and whether voluntary or involuntary) to sell, licence, transfer or otherwise dispose of any Security Asset except as permitted by the Finance Documents.

6.3 Rights

Each Assignor shall only exercise its rights under the relevant Assigned Contract as expressly permitted by the terms of the Subordination Deed and then only for a purpose not inconsistent with any provision of this Deed or the Facility Agreement and provided such exercise would not otherwise materially prejudice the interests of the Finance Parties.

7. Representations

7.1 Each Assignor represents and warrants to the Security Agent (for the benefit of each Finance Party) on the date of this Deed that:

- (a) this Deed:

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- (i) creates (or, once entered into, will create) in favour of the Security Agent, the Security which it is expressed to create fully perfected and with the ranking and priority it is expressed to have;
 - (ii) is not subject to any prior or pari passu ranking Security;
 - (iii) is not liable to be avoided or set aside on its liquidation, administration or otherwise;
 - (iv) constitutes legal, valid, binding and enforceable obligations of the Assignors;
 - (v) is within the corporate powers of the Assignors;
 - (vi) has been duly authorised by all necessary corporate and other action by the Assignors;
 - (vii) this Deed does not and will not conflict with (i) any law or regulation applicable to it or (ii) the constitutive documents of the Assignors or (iii) any agreement or instrument binding on the Assignors; and
 - (viii) all authorisations, consents, approvals, resolutions, licences, exemptions, filings or registrations required or desirable under any applicable law in relation to this Deed have been obtained or effected and are in full force and full effect;
- (b) it is the absolute legal and beneficial owner of all the assets over which this Deed purports to create any Security.

7.2 Each of the representations made in this Clause are deemed to be made by each Assignor, by reference to the facts and circumstances then existing on each date during the Security Period.

8. When Security becomes enforceable

8.1 Timing

The Security created or expressed to be created by this Deed shall be immediately enforceable if:

- (a) an Event of Default occurs; or
- (b) an Assignor requests the Security Agent to appoint a Receiver over the whole or any part of its undertaking and assets.

8.2 Enforcement

After this Security has become enforceable, the Security Agent may in its discretion (acting on the instructions of the Lenders' Representative) enforce all or any part of this Security in any manner it sees fit. For that purpose the Security Agent may exercise all powers conferred on it by this Deed or the Act or by any applicable law, and may do so without any judicial or other formality or any presentment, demand, protest or other notice of any kind, all of which are expressly waived by the Assignors.

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9. Enforcement of Security

9.1 Enforcement

Without prejudice to or limiting any other right, power or discretion conferred by this Deed or by law or otherwise, the Security Agent shall have power at any time after this Security has become enforceable without incurring any liability or responsibility to the Assignors:

- (a) to take over and implement an Assigned Contract and to exercise all of the present and future rights, powers and remedies of any Assignor in and to the Assigned Property as if the Security Agent were an original party to such Assigned Contract;
- (b) to extend or vary the time of payment under or otherwise change the terms of an Assigned Contract or to agree with the Borrower to terminate it on such terms and conditions as the Security Agent and that Borrower may agree;
- (c) without limiting sub-clauses (a) and (b) above, to notify the Borrower of the substitution of the Security Agent for any Assignor with respect to the Assigned Property and/or shall be entitled, but without accepting or assuming any obligation, to perform (at the Assignors' expense) any obligation of any Assignor in respect of the Assigned Contracts or the Assigned Property;
- (d) to demand, collect and receive any money at any time due, payable or receivable under or pursuant to an Assigned Contract or otherwise on account of or in exchange for any of the Assigned Property;
- (e) to assign, sell or otherwise dispose of the Assigned Property (or agree to do so) to such person and upon such terms as the Security Agent shall in its absolute discretion determine or private contract or in any other manner;
- (f) to institute, pursue, discharge, compound, release or compromise all claims by any Assignor against the Borrower, or any third party in respect of the Assigned Property;
- (g) to defend, discharge, compound, release or compromise all claims against any Assignor in respect of the Assigned Property including (but not limited to) those which have given or may give rise to any charge or lien on the Assigned Property.

9.2 Security Agent may exercise Receiver's powers

In addition, to the fullest extent permitted by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law upon a Receiver of the Assigned Property may after this Security becomes enforceable be exercised by the Security Agent in relation to any Assigned Property without first appointing a Receiver or notwithstanding the appointment of a Receiver.

9.3 Consideration on a disposal

The consideration for any sale or other disposal of the Assigned Property by the Security Agent or any Receiver in the exercise of their respective powers may (in addition to that permitted under the Act on a sale by the Security Agent) consist of cash, shares, securities, debentures or other valuable consideration, may fluctuate according to or dependent upon profit or turnover or be determined by a third party, and may be payable in a lump sum or in instalments (with or without security).

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9.4 Protection of third parties

No person (including a purchaser) dealing with the Security Agent or a Receiver or its or his agents will be concerned to enquire:

- (a) whether the Secured Liabilities have become payable; or
- (b) whether any power which the Security Agent or the Receiver is purporting to exercise has become exercisable; or
- (c) whether any money remains due to the Security Agent; or
- (d) how any money paid to the Security Agent or to the Receiver is to be applied.

9.5 No liability on exercise of powers

Neither the Security Agent nor its agents, managers, officers, employees, delegates and advisers nor any Receiver shall be liable to any claim, demand, liability, loss, damage, cost or expense incurred or arising in connection with the exercise or purported exercise of any right, power or discretion under this Deed in the absence of gross negligence or wilful misconduct.

10. Receiver

10.1 Appointment of Receiver

Following the occurrence of an Event of Default which is continuing or upon receipt of request from the Assignor for the Security Agent to appoint a Receiver, whether or not the Security Agent has entered into or taken possession of the whole or any part of the Security Assets pursuant to this Deed and subject to any applicable insolvency law:

- (a) the Security Agent may, by writing under the hand of any authorised officer of the Security Agent, appoint a Receiver in relation to the Security Assets;
- (b) subject to the Insolvency Act 1986 the Security Agent may, from time to time, in similar manner, remove a Receiver and appoint another in his place; and
- (c) the Security Agent may, either at the time of appointment or at any time thereafter, fix the remuneration of a Receiver.

None of the restrictions imposed by the LPA in relation to the appointment of receivers, the giving of notice or otherwise shall apply.

10.2 Delegation by Receiver

A Receiver may from time to time delegate, by power of attorney or otherwise, to any person any of his powers and discretions, whether arising by statute, the provisions of this Deed or otherwise, upon such terms and for such periods of time as he may in his discretion think fit and may from time to time terminate any such delegation. The Security Agent shall not be liable for any loss or damage arising from any such delegate's act, default, neglect or misconduct of any nature whatsoever.

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11. Powers of Receiver

11.1 General powers

A Receiver has all the powers to do or abstain from doing anything which any Assignor could do or abstain from doing in relation to the Security Assets including, without limitation, the powers and discretions set out below in this clause, the powers conferred by Section 109 of the LPA (Appointment, powers, remuneration and duties of receivers) and, in the case of a Receiver who is an administrative receiver, the powers conferred by Section 29 of the Insolvency Act (Definitions) and Schedule 1 to the Insolvency Act (Powers of administrator or administrative receiver).

11.2 Comply with undertakings

A Receiver may comply with and perform all of the undertakings and covenants of the Assignors contained in this Deed.

11.3 Possession

A Receiver may take immediate possession of, get in and collect any Security Asset.

11.4 Carry on business

A Receiver may carry on, manage or concur in carrying on managing the whole or any part of the business of any Assignor as he may in his discretion think fit.

11.5 Dealings with Security Assets

A Receiver may, in each such case in such manner and generally on such terms as he may in his discretion think fit:

- (a) manage, insure, repair, decorate, maintain, alter, improve, renew or add to the Security Assets or concur in so doing; and
- (b) apply for and maintain any planning permissions, building regulations, approvals and any other permissions, consents or licences,

including entry into any agreement, deed or contract in relation to any of the above.

11.6 Sale of Security Assets

- (a) A Receiver may sell, exchange, convert into money and realise the Security Assets or concur in so doing by public auction or private contract and generally in such manner and on such terms as he may in his discretion think fit.
- (b) Without prejudice to the generality of paragraph (a) above, a Receiver may do any of these things for any valuable consideration, including, without limitation, cash, shares, stock, debentures or other obligations. Any such consideration may be payable in a lump sum or by instalments spread over such period as a Receiver may in his discretion think fit.

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11.7 Borrow money

- (a) For the purpose of exercising any of the powers, authorities or discretions conferred on him by or pursuant to this Deed or of defraying any costs (including, without limitation, his remuneration) which are incurred by him in the exercise of such powers, authorities or discretions or for any other purpose, a Receiver may raise and borrow money or incur any other liability either unsecured or secured on the Security Assets, either in priority to the security constituted by this Deed (subject to the prior written consent of the Security Agent) or otherwise, and generally on such terms as he may in his discretion think fit.
- (b) No person lending such money is to be concerned to enquire as to the propriety or purpose of the exercise of such power or as to the application of any money so raised or borrowed.

11.8 Lending

A Receiver may lend money or advance credit to any customer of any Assignor.

11.9 Obligations in relation to the Assigned Property

A Receiver may enter into, perform, repudiate, rescind, rectify or vary contracts, bonds, covenants, commitments, guarantees, indemnities and similar matters in relation to the Assigned Property and may make all payments needed to effect, maintain, perform or satisfy any of the same.

11.10 Compromise and legal actions

A Receiver may:

- (a) settle or compromise any claim, adjust any account, refer to arbitration any dispute, and deal with any question or demand relating in any way to the Security Assets; and
- (b) bring, prosecute, enforce, defend and abandon all such actions, suits and proceedings in relation to the Security Assets,

as he may in his discretion think fit.

11.11 Appointments and delegation

A Receiver may:

- (a) appoint and discharge any manager, officer, agent, professional adviser, employee and any other person, upon such terms as he may in his discretion think fit; and
- (b) delegate his powers in accordance with this Deed.

11.12 Receipts

A Receiver may give valid receipts for all monies and execute all assurances and things which he may in his discretion think proper or desirable for realising the Security Assets.

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11.13 Investigations

A Receiver may conduct and complete all investigations, studies, sampling and testing and all remedial, removal and other actions, whether required under Environmental Law or by the Security Agent or otherwise and comply with all lawful orders and directives regarding Environmental Law.

11.14 Other

A Receiver may:

- (a) do all such other acts and things as it may in his discretion consider to be incidental or conducive to any of the matters or powers set out in this Deed or otherwise incidental or conducive to the preservation, improvement or realisation of the Security Assets; and
- (b) use the name of any Assignor for any purpose in relation to this Deed.

11.15 Receiver as agent of the Assignors

A Receiver is for all purposes the agent of each Assignor. Subject to the provisions of the Insolvency Act, each Assignor is solely responsible for all Receivers' acts, defaults, neglect and misconduct of any nature whatsoever and for each Receivers remuneration and costs, to the exclusion of liability on the part of the Security Agent.

11.16 No obligation

No Receiver is obliged to exercise any of the powers set out in this Clause.

11.17 Several power

Where more than one Receiver is appointed, each Receiver has the power to act severally unless the Security Agent specifies otherwise in the appointment of such Receiver.

11.18 Powers exercisable by the Security Agent

- (a) The Security Agent may exercise all powers granted to a Receiver by this Deed, whether as attorney of the Assignor or otherwise.
- (b) The powers of a Receiver set out above are in addition to, and without prejudice to, all statutory and other powers of the Security Agent and so that, without limitation, such powers are and remain exercisable by the Security Agent in respect of that part of the Security Assets in respect of which no appointment of a Receiver by the Security Agent is from time to time subsisting.

12. Application of proceeds

12.1 Order of application

Subject to any claims having priority to this Security all money recovered by the Security Agent or any Receiver as a result of the enforcement of this Deed or otherwise by reason of this Security will be applied as provided in the Facility Agreement.

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12.2 Contingent or future liabilities

If any money is received by the Security Agent or a Receiver as a result of the enforcement of or otherwise by reason of this Security at a time when the Secured Obligations include contingent or future liabilities the Security Agent or any Receiver may hold some or all of such money in an interest bearing suspense account.

13. Power of attorney

13.1 Appointment

Each Assignor by way of security irrevocably appoints the Security Agent, any Receiver and any Delegate severally as its or his attorney (with full power of substitution) on its or his behalf and in its or his name or otherwise at such time and in such manner as the attorney may think fit:

- (a) to do anything which an Assignor is obliged to do under any Finance Document, but has failed to do so on the date it was obliged so to do; and
- (b) to exercise any of the rights conferred on the Security Agent, any Receiver or any Delegate in relation to the Security Assets or under any Finance Document, the LPA or the Insolvency Act.

13.2 Ratification

Each Assignor ratifies and confirms and agrees to ratify and confirm whatever any such attorney does or purports to do under its appointment under this Clause.

14. Preservation of security

14.1 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made by a Finance Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the Assignors under this Deed will continue or be reinstated as if the discharge, release or arrangement had not occurred and each Finance Party shall be entitled to recover the value or amount of that payment, security or disposition from the Assignors.

14.2 Waiver of defences

The obligations of the Assignors under this Deed will not be affected by any act, omission, matter or thing which, but for this clause, would reduce, release or prejudice any of its rights and/or obligations under this Deed (and whether or not known to it or any Finance Party) including, without limitation:

- (a) any time, waiver or consent granted to, or composition with, any Transaction Obligor or other person;
- (b) the release of any Transaction Obligor or any other person under the terms of any composition or arrangement with any creditor of any other person;

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- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of any Transaction Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Transaction Obligor or any other person;
- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental, whether or not more onerous or of whatever nature) or replacement of a Finance Document or any other document or security, including, without limitation, any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (g) any insolvency or similar proceedings.

14.3 Immediate recourse

Each Assignor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from such Assignor under this Deed. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

14.4 Appropriations

Until the Secured Liabilities have been irrevocably paid in full, any Finance Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Assignor shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from an Assignor or on account of an Assignor's liability under this Deed.

14.5 Deferral of the Assignor's rights

Until the Secured Liabilities have been irrevocably paid in full and unless the Security Agent otherwise directs, no Assignor shall exercise any rights which it may have by reason of performance by it of its or his obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Deed:

- (a) to be indemnified by an Obligor or any other person;
- (b) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents;

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- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;
- (d) to bring legal or other proceedings for an order requiring an Obligor to make any payment, or perform any obligation, in respect of which a Obligor has given a guarantee, undertaking or indemnity under any other Finance Document;
- (e) to exercise any right of set-off against any Obligor or other person; and/or
- (f) to claim or prove as a creditor of any Obligor or other person in competition with any Finance Party.

If an Assignor receives any benefit, payment or distribution in relation to such rights, it or he shall hold that benefit, payment or distribution (to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by such Assignor under or in connection with the Finance Documents to be repaid in full) on trust for the Finance Parties and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct.

15. Costs and expenses

15.1 Transaction expenses

The Assignors shall promptly on demand pay the Security Agent the amount of all costs and expenses (including legal fees) reasonably incurred by the Security Agent in connection with the negotiation, preparation, printing, execution, syndication and perfection of this Deed.

15.2 Amendment costs

If the Assignors request an amendment, waiver or consent, the Assignors shall, within three Business Days of demand, reimburse the Security Agent for the amount of all costs and expenses (including legal fees) incurred by the Security Agent in responding to, evaluating, negotiating or complying with that request or requirement.

15.3 Enforcement expenses

The Assignors shall, within three Business Days of written demand, pay to the Security Agent the amount of all costs, losses, liabilities and expenses (including legal fees) incurred by the Security Agent, any Finance Party, any Receiver or any Delegate in connection with the enforcement of or the preservation of any right under this Deed or the Security created or expressed to be created in favour the Security Agent by this Deed and any proceedings instituted by or against the Security Agent as a consequence of taking or holding the Security created or expressed to be created in favour the Security Agent by this Deed or enforcing these rights.

16. Payments

16.1 Set-off

- (a) The Security Agent may set off any matured obligation due from any Assignor under this Deed (to the extent beneficially owned by the Security Agent and/or a Finance Party) against any obligation (whether or not matured) owed by the Security Agent

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and/or a Finance Party to the Assignors, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Security Agent may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

- (b) All payments to be made by the Assignors under this Deed shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

16.2 Taxes

The Assignors shall pay any Tax and VAT in respect of any amount payable by it or him to the Security Agent, any Receiver, Delegate or a Finance Party under this Deed in accordance with the Facility Agreement.

16.3 Default interest

Any amount due but unpaid by the Assignors under this Deed shall incur interest in accordance with default interest provisions of the Facility Agreement.

16.4 Continuation of accounts

- (a) At any time if any subsequent Security affects any Security Asset (other than any Security permitted by the Finance Documents), any Security Asset is disposed of or a petition is presented or resolution passed in relation to the winding-up of SPL (other than a frivolous or vexatious petition which is discharged, stayed or dismissed within 7 Business Days of commencement) or an application is made for a bankruptcy order in respect of any other Assignor, any Finance Party may:
 - (i) close any account of the relevant Assignor then existing; and
 - (ii) open a new account in the name of such Assignor (whether or not it permits any existing account to continue).
- (b) If a Finance Party does not open such a new account, it shall nevertheless be treated as if it had done so when the relevant event occurred, unless the relevant Assignor has received written notice from a Finance Party to the contrary.
- (c) All payments made to a Finance Party after such an event shall be credited to, or treated as having been credited to, the new account.
- (d) No moneys paid into any account, whether new or continuing, after that event shall discharge or reduce the Secured Liabilities.

16.5 Application of payments to the Security Agent

The Security Agent shall apply all amounts received or recovered under this Deed in satisfaction of, whether in whole or in part, the Secured Liabilities in accordance with the Facility Agreement.

16.6 Business Days

- (a) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

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- (b) Subject to Clause 16.3 above (*Default interest*), during any extension of the due date for payment of any amount under this Deed, interest is payable on the principal or the then due but unpaid amount at the rate payable on the original due date.

16.7 Currency of account

- (a) Subject to paragraphs (b) and (c) below, sterling is the currency of account and payment for any sum due from the Assignors.
- (b) All payments by the Assignors under this Deed (including damages for its breach) shall be made in the currency in which the relevant amount is denominated, or if different, is payable and to such account, with such person and such other manner as the Security Agent may direct.
- (c) Any amount expressed to be payable in a currency other than sterling shall be paid in that other currency.

16.8 Change of currency

- (a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
 - (i) any reference in this Deed to, and any obligations arising under this Deed in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Security Agent (after consultation with the Assignors on behalf of the Assignors); and
 - (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Security Agent (acting reasonably).
- (b) If a change in any currency of a country occurs, this Deed shall, to the extent the Security Agent (acting reasonably and after consultation with the Assignors on behalf of the Assignors) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the relevant interbank market and otherwise to reflect the change in currency.

16.9 Day count convention

Any interest, commission fee or other sum accruing under this Deed will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days or, in any case where the practice in the relevant interbank market differs, in accordance with that market practice.

17. Calculations and certificates

17.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with this Deed, the entries made in the accounts maintained by the Assignors are *prima facie* evidence of the matters to which they relate.

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17.2 Certificates and determinations

Any certification or determination by the Security Agent of a rate or amount under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

18. Release of Security

18.1 Release

At the end of the Security Period, the Security Agent shall, at the written request and cost of the Assignor, take all action reasonably necessary to release the Security Assets from the Security created by or expressed to be created by this Deed and return all deeds and documents of title held by the Security Agent in relation to this Deed and execute and deliver such further deeds and documents as the Assignor may reasonably require to give effect to this Clause.

18.2 Releases conditional

Any settlement, re-assignment, release or discharge under this Deed between the Security Agent and the Assignor will be conditional upon no security or payment to the Security Agent by the Assignor or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any provision or enactment relating to bankruptcy, winding-up, administration or insolvency for the time being in force, and if such condition is not satisfied, the Security Agent will be entitled to recover from the Assignor on demand the value of such security or the amount of any such payment as if such settlement or discharge had not occurred and/or to enforce this Security to the full extent of the Secured Liabilities.

18.3 Retention

If the Security Agent considers that any amount paid or credited to it under a Finance Document or this Deed is capable of being avoided or otherwise set aside, that amount shall not be considered to have been paid for the purposes of determining whether all the Secured Liabilities have irrevocably paid.

19. Tacking

The Assignors acknowledge that each Finance Party shall comply with its obligations under the Finance Documents (including any obligation to make further advances).

20. No merger or prejudice

This Deed is in addition to and will not merge in or in any way be prejudiced or affected by the holding or release by the Security Agent of any other security at any time held by the Security Agent.

21. Partial invalidity

If at any time any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of the remaining provisions under the law of any other jurisdiction will in any way be affected or impaired.

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22. Remedies and waivers

- (a) No failure to exercise, nor any delay in exercising, on the part of the Security Agent, any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy.
- (b) The rights and remedies provided in this Deed are cumulative and are not exclusive of any right or remedies provided by law.

23. Changes to the Parties

23.1 Successors in title

This Deed shall bind and enure to the benefit of the Assignors and the Bank and their respective successors.

23.2 Assignment and transfer by the Assignor

No Assignor shall assign any of its rights or transfer (whether by novation or otherwise) any of its rights or obligations under this Deed.

23.3 Assignment and transfer by the Security Agent

The Security Agent may assign any of its rights or transfer (whether by novation or otherwise) any of its rights or obligations under this Deed to any person to which it is permitted to assign its rights or transfer any of its rights or obligations to under the terms of the Facility Agreement.

24. The Finance Documents

The Assignors acknowledge the terms of the Finance Documents, including, without limitation, clause 8.4 (*Default interest*), clause 24 (*Role of the Administrative Parties*) and clause 27 (*Payment mechanics*) of the Facility Agreement.

25. Notices

25.1 Communications in writing

Any 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.

25.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each party for any communication or document to be made or delivered under or in connection with this Deed are:

- (a) in the case of the Assignors:

Metropolitan & City Properties (Reading) Limited

EXECUTION VERSION

Address: 10 Wyndham Place
London
W1H 2PU

Attention: Craig Gottlieb

Fax: [REDACTED]

Metropolitan & City Properties (Watford) Limited

Address: 10 Wyndham Place
London
W1H 2PU

Attention: Craig Gottlieb

Fax: [REDACTED]

Metropolitan & City Properties (South Wales) Limited

Address: 10 Wyndham Place
London
W1H 2PU

Attention: Craig Gottlieb

Fax: [REDACTED]

Avenue Investments Limited

Address: 10 Wyndham Place
London
W1H 2PU

Attention: Craig Gottlieb

Fax: [REDACTED]

(b) in the case of the Security Agent:

Address: 13 Castle Street, St Helier, Jersey JE4 5UT

Telephone: [REDACTED]

Fax number: [REDACTED]

EXECUTION VERSION

Attention: Stephen McKenna

or any substitute address, fax number or department or officer as a party may notify to the others by not less than five Business Days' notice.

25.3 Delivery

- (a) Any communication or document made or delivered by a party to any other party under or in connection with this Deed will only be effective:

- (i) if by way of fax, when received in legible form; or
- (ii) if by way of letter, when it has been left at the relevant address or three days after being deposited in the post postage prepaid in an envelope addressed to it at that address or, in the case of a communication or document to be delivered to an individual, when delivered personally to that individual,

and, if a particular department or officer is specified as part of its address details provided under Clause 25.2 (*Addresses*), if addressed to that department or officer.

- (b) Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is expressly marked for the attention of the department or officer indicated above (or any substitute department or officer as the Security Agent shall specify for this purpose).

26. Counterparts

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

27. Governing law

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

28. No enquiry

The Security Agent shall not be obliged to make any enquiry as to the nature or sufficiency of any payment received by it under this Deed or to make any claim or to take any action to collect any moneys assigned by this Deed or to enforce any rights and benefits assigned to the Security Agent or to which the Security Agent may at any time be entitled under this Deed.

29. Enforcement

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "**Dispute**").
- (b) Each Party agrees that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

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- (c) This clause is for the benefit of the Finance Parties only. As a result, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

THIS DEED has been entered into as a deed and delivered on the date stated at the beginning of this Deed.

EXECUTION VERSION

Schedule 1

The Assignors

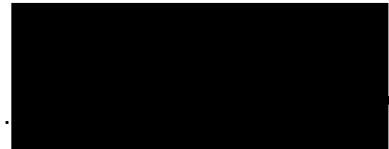
No.	Name
1.	Metropolitan & City Properties (Reading) Limited (company registration number: 03540632 04188656)
2.	Metropolitan and City Properties (Watford) Limited (company registration number: 03075024)
3.	Metropolitan and City Properties (South Wales) Ltd. (company registration number: 02920510)
4.	Avenue Investments Limited (company registration number: 03075024 00533085)

EXECUTION VERSION

SIGNATORIES

The Assignors:

EXECUTED as a **DEED** by **METROPOLITAN AND CITY**
PROPERTIES (READING) **LIMITED** acting
by a director in the presence of:



Signature of director

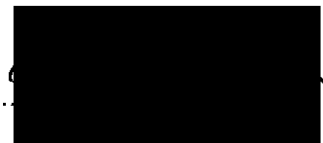
Signature of witness.....

Print name.....DANE MARGARET SCOTT

Address.....

Occupation.....Secretary

EXECUTED as a **DEED** by **METRPOKITAN AND CITY**
PROPERTIES (WATFORD) **LIMITED** acting
by a director in the presence of:



Signature of director

Signature of witness.....

Print name.....DANE MARGARET SCOTT

Address.....

Occupation.....Secretary

EXECUTION VERSION

EXECUTED as a DEED by METROPOLITAN AND CITY
PROPERTIES (SOUTH WALES) LTD acting
by a director in the presence of:

[Redacted Signature]

Signature of director

Signature of witness..... [Redacted Signature]

Print name..... DIANE MARGARET SCOTT

Address..... [Redacted Address]

..... [Redacted Address]

..... [Redacted Address]

Occupation..... Secretary

EXECUTED as a DEED by AVENUE INVESTMENTS LIMITED
acting by a director in the presence of:

[Redacted Signature]

Signature of director

Signature of witness..... [Redacted Signature]

Print name..... DIANE MARGARET SCOTT

Address..... [Redacted Address]

..... [Redacted Address]

..... [Redacted Address]

Occupation..... Secretary

EXECUTION VERSION
The Security Agent:

Signed by **SANNE FIDUCIARY**)
SERVICES LIMITED)
acting by



.....

Authorised signatory

)

)

Neville Scott
Authorised Signatory



Authorised signatory

Marc Speight
Authorised Signatory