



**Registration of a Charge**

Company Name: **MAGNAVALE CHESTERFIELD LTD**

Company Number: **02372728**



XC1TQAMH

Received for filing in Electronic Format on the: **20/04/2023**

**Details of Charge**

Date of creation: **14/04/2023**

Charge code: **0237 2728 0025**

Persons entitled: **MAGNAVALE PROPERTIES LIMITED**

Brief description: **ALL ESTATES OR INTERESTS IN ANY FREEHOLD OR LEASEHOLD  
PROPERTY IN ENGLAND AND WALES NOW OR SUBSEQUENTLY OWNED  
BY IT**

**Contains fixed charge(s).**

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

**Contains negative pledge.**

**Authentication of Form**

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

**Authentication of Instrument**

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT  
TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC  
COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION  
FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL  
INSTRUMENT.**

Certified by:

**THOMAS JACOB**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 2372728

Charge code: 0237 2728 0025

The Registrar of Companies for England and Wales hereby certifies that a charge dated 14th April 2023 and created by MAGNAVALE CHESTERFIELD LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 20th April 2023 .

Given at Companies House, Cardiff on 22nd April 2023

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**

# **DFA SECURITY AGREEMENT**

14 April \_\_\_\_\_ 2023

**THE ENTITIES LISTED IN SCHEDULE 1  
as Chargors**

**and**

**MAGNAVALE PROPERTIES LIMITED  
as Secured Party**

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**THIS DEED** is dated 14 April 2023 and is made

**BETWEEN:**

- (1) **THE ENTITIES** listed in Schedule 1 (The Chargors) as chargors (each a **Chargor**, together the **Chargors**); and
- (2) **MAGNAVALE PROPERTIES LIMITED**, a private limited company registered in England and Wales with company number 09140887 whose registered office is at Magnavale House, Park Road, Holmewood Industrial Park, Chesterfield, Derbyshire, England S42 5UY (the **Secured Party**).

**BACKGROUND:**

- (A) Each Chargor enters into this Deed in connection with each Development and Funding Agreement (as defined below).
- (B) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

**IT IS AGREED** as follows:

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

In this Deed:

**Act** means the Law of Property Act 1925.

**Chesterfield Development and Funding Agreement** means the development and funding agreement in relation to the Chesterfield Development dated 12 December 2022 between the Chesterfield Employer and the Propco.

**Chesterfield Employer** means Magnavale Chesterfield Limited.

**Development and Funding Agreement** means the Chesterfield Development and Funding Agreement and the Easton II Development and Funding Agreement.

**DFA Documents** means each Development and Funding Agreement and this deed.

**Easton II Development and Funding Agreement** means the development and funding agreement in relation to the Easton II Development dated 13 October 2022 between the Easton II Employer and the Propco.

**Easton II Employer** means Magnavale Scunthorpe Ltd.

**Facility Agreement** means the senior facility agreement dated on or around the date of this Deed between (among others) Magnavale Holdings Limited as company and the Senior Security Agent.

**Financial Collateral Regulations** means the Financial Collateral Arrangements (No. 2) Regulations 2003.

**Investments** means:

- (a) all shares in any member of the Group incorporated in England and Wales owned by a Chargor or held by any nominee or trustee on its behalf; and
- (b) all other shares, stocks, debentures, bonds or other securities or investments owned by a Chargor or held by any nominee or trustee on its behalf and incorporated in, or subject to, the laws of England and Wales.

**Mortgaged Property** means all freehold or leasehold property included in the definition of Security Asset.

**Party** means a party to this Deed.

**Receiver** means a receiver or receiver and manager or administrative receiver, in each case appointed under this Deed.

**Relevant Contract** means:

- (a) any document which records the terms of any Subordinated Debt;
- (b) any document appointing an Operational Manager or a Development Manager;
- (c) an agreement relating to the purchase of a Property by any Chargor; or
- (d) any other document designated as such by the Secured Party and the Chargors.

**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 and whether originally incurred by the Chargors) of each Chargor to any Secured Party under each of the DFA Documents.

**Security Asset** means any asset of a Chargor which is, or is expressed to be, subject to any Security created by this Deed.

**Security Period** means the period beginning on the date of this Deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.

**Senior Discharge Date** means the date on which all liabilities under the Finance Documents have been irrevocably and unconditionally repaid in full.

**Senior Security Agent** means Situs Asset Management Limited.

## **1.2 Construction**

- (a) Capitalised terms defined in the Facility Agreement have the same meaning in this Deed unless expressly defined in this Deed.
- (b) This Deed is a Security Document under the Development and Funding Agreement.
- (c) Unless a contrary indication appears, a reference in this Deed to:
  - (i) a DFA Document or any other agreement or instrument is a reference to that DFA Document or other agreement or instrument as amended, novated, supplemented, extended or restated from time to time;

- (ii) a reference to any asset, unless the context otherwise requires, includes any present and future asset;
  - (iii) unless the context otherwise requires, the term **enforceable** when used in the context of this Deed means enforceable in accordance with Clause 22 (Enforcement); and
  - (iv) any **rights** in respect of an asset includes:
    - (A) all amounts and proceeds paid or payable;
    - (B) all rights to make any demand or claim; and
    - (C) all powers, remedies, causes of action, security, guarantees and indemnities,
 

in each case in respect of or derived from that asset;
  - (v) law includes 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 which has the force of law or, if not having the force of law, is of a type with which any person to which it applies is accustomed to comply;
  - (vi) any share, stock, debenture, bond or other security or investment includes:
    - (A) any dividend, interest or other distribution paid or payable;
    - (B) any right, money or property accruing or offered at any time by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise,
 

in each case in respect of that share, stock, debenture, bond or other security or investment; and
  - (vii) the term **this Security** means any Security created by this Deed.
- (d) Any covenant of a Chargor under this Deed (other than a payment obligation which has been discharged) remains in force during the Security Period.
  - (e) The terms of any other agreement or instrument between any Parties in relation to any DFA Document are incorporated in this Deed to the extent required to ensure that any purported disposition, or any agreement for the disposition, of any freehold or leasehold property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
  - (f) If the Secured Party considers (acting reasonably and on the basis of legal advice received by it for such purpose) that an amount paid to a Secured Party under a DFA Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
  - (g) Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of any disposal of that Security Asset.
  - (h) The Security created by this Deed shall only apply to Security Assets located in England or Wales and/or which are subject to English law.



### **1.3 Subordination**

The terms of this Deed are subject to the terms of the Deed of Priority and the Subordination Agreement.

## **2. CREATION OF SECURITY**

### **2.1 General**

- (a) Each Chargor must pay or discharge the Secured Liabilities in the manner provided for in the DFA Documents.
- (b) All the security created under this Deed:
  - (i) is created in favour of the Secured Party;
  - (ii) is created by each Chargor over present and future assets of that Chargor;
  - (iii) is security for the payment of all the Secured Liabilities; and
  - (iv) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (c) Notwithstanding any other provision of this Deed, if the rights of a Chargor under a document cannot be secured without the consent of a party to that document or satisfaction of some other condition:
  - (i) that Chargor shall notify the Secured Party promptly upon becoming aware of such requirement for consent or other condition;
  - (ii) this Security shall constitute security over all proceeds and other amounts which that Chargor may receive, or has received, under that document but exclude that Chargor's other rights under the document until that Chargor obtains the required consent or satisfies the relevant condition;
  - (iii) unless the Secured Party otherwise requires, that Chargor shall use its reasonable endeavours to obtain the required consent or satisfy the relevant condition; and
  - (iv) if that Chargor obtains the required consent or satisfies the relevant condition:
    - (A) that Chargor shall notify the Secured Party promptly; and
    - (B) all of that Chargor's rights under the document shall immediately be secured in accordance with this Deed.

### **2.2 Land**

- (a) Each Chargor charges (to the extent that they are not the subject of a mortgage under paragraph (i) above) by way of a first fixed charge all estates or interests in any freehold or leasehold property in England and Wales now or subsequently owned by it.
- (b) A reference in this Clause 2 to a charge of any freehold or leasehold property in England and Wales includes:
  - (i) all buildings, fixtures, fittings and fixed plant and machinery on that property; and

- (ii) the benefit of any covenants for title given or entered into by any predecessor in title of any Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

### **2.3 Investments**

Each Chargor charges by way of a first fixed charge its interest in all its Investments.

### **2.4 Plant and machinery**

To the extent that they are not the subject of a mortgage or a first fixed charge under Clause 2.2 (Land), each Chargor charges by way of a first fixed charge all plant and machinery owned by that Chargor and its interest in any plant or machinery in its possession.

### **2.5 Credit balances**

- (a) Each Chargor charges by way of a first fixed charge all of its rights in respect of any Account (other than any General Account), any amount standing to the credit of any Account (other than any General Account) and the debt represented by it.
- (b) Each Chargor charges by way of a first fixed charge all of its rights in respect of each General Account, any amount standing to the credit of any General Account and the debt represented by it.
- (c) Each Chargor charges by way of a first fixed charge all of its rights in respect of any account it has with any person other than the accounts referred to in paragraphs (a) and (b) above, any amount standing to the credit of any such account and the debt represented by it.

### **2.6 Book debts etc.**

Each Chargor charges by way of a first fixed charge:

- (a) all of its Subordinated Debt;
- (b) all of its book and other debts;
- (c) all other moneys due and owing to it; and
- (d) the benefit of all rights held by it in relation to any item under paragraphs (a) to (c) above.

### **2.7 Insurances**

- (a) Each Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights under any contract or policy of insurance taken out by it or on its behalf or in which it has an interest (together, the **Insurance Rights**).
- (b) To the extent that they have not been effectively assigned under paragraph (a) above, each Chargor charges by way of a first fixed charge all of its Insurance Rights.

### **2.8 Hedging**

Each Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights under any Hedging Agreements.

## **2.9 Other contracts**

- (a) Each Chargor:
- (i) assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights:
    - (A) under each Lease Document;
    - (B) in respect of all Rental Income;
    - (C) under any guarantee of Rental Income contained in or relating to any Lease Document;
    - (D) under each Relevant Contract;
    - (E) under any document, agreement or instrument to which it and any nominee or trustee is party in respect of an Investment; and
  - (ii) charges by way of a first fixed charge:
    - (A) all of its rights under each Development Document;
    - (B) all of its rights under each Operational Contract (to the extent in writing); and
    - (C) all of its rights under any other document, agreement or instrument to which it is a party except to the extent that it is subject to any fixed security created under any other term of this Clause 2.
- (b) To the extent that they have not been effectively assigned under paragraph (a)(i) above, each Chargor charges by way of a first fixed charge all of its rights listed under paragraph (a)(i) above.

## **2.10 Miscellaneous**

Each Chargor charges by way of first fixed charge:

- (a) its goodwill;
- (b) the benefit of any Authorisation (statutory or otherwise) held in connection with its use of any Security Asset;
- (c) the right to recover and receive compensation which may be payable to it in respect of any Authorisation referred to in paragraph (b) above;
- (d) its uncalled capital; and
- (e) the benefit of all rights held by it in relation to any item under paragraphs (a) to (d) above.

## **2.11 Floating charge**

- (a) Each Chargor charges by way of a first floating charge all its assets not otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, fixed charge or assignment under this Clause 2.

- (b) Except as provided below, at any time after the Senior Discharge Date, the Secured Party may by written notice to a Chargor convert the floating charge created by this Clause 2.11 (Floating charge) into a fixed charge as regards any of the Chargor's assets specified in that notice if:
  - (i) the Secured Party so elects; or
  - (ii) the Secured Party considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.
- (c) Subject to paragraph (d) below, the floating charge created by this Clause 2.11 (Floating charge) may not be converted into a fixed charge solely by reason of:
  - (i) the obtaining of a moratorium; or
  - (ii) anything done with a view to obtaining a moratorium (including any preliminary decision or investigation),under Part A1 of the Insolvency Act 1986.
- (d) Paragraph (c) above does not apply in respect of any floating charge referred to in subsection (4) of section A52 of Part A1 of the Insolvency Act 1986.
- (e) The floating charge created by this Clause 2.11 (Floating charge) will (in addition to the circumstances when this may occur under English law) automatically convert into a fixed charge over all of a Chargor's assets if an administrator is appointed or the Secured Party receives notice of an intention to appoint an administrator.
- (f) The floating charge created by this Clause 2.11 (Floating charge) is a **qualifying floating charge** for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

### **3. RESTRICTIONS ON DEALINGS**

#### **3.1 Security**

Except as expressly allowed under the DFA Documents and, prior to the Senior Discharge Date, expressly permitted under the Senior Facility Agreement or, prior to the Senior Discharge Date, with the prior written consent of the Secured Party, each Chargor must not create or permit to subsist any Security on any Security Asset at any time during the Security Period.

#### **3.2 Disposals**

Except as expressly allowed under the DFA Documents and, prior to the Senior Discharge Date, expressly permitted under the Senior Facility Agreement or, prior to the Senior Discharge Date, with the prior consent of the Secured Party, each Chargor must not enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to dispose of all or any part of any Security Asset.

#### **4. LAND<sup>1</sup>**

##### **4.1 Notices to tenants**

- (a) Immediately following the Senior Discharge Date, each Chargor must promptly serve a notice of assignment, substantially in the form of Part 1 of Schedule 3 (Forms of Letter for Occupational Tenants) or with such amendment thereto as the Secured Party (acting reasonably) might agree in respect of each tenant of a Mortgaged Property, such notice to be served promptly and in any event within three Business Days after a request by the Secured Party for all tenants in place on that date.
- (b) Each Chargor must use reasonable endeavours to ensure that each such tenant acknowledges that notice, substantially in the form of Part 2 of Schedule 3 (Forms of Letter for Occupational Tenants).

#### **5. INVESTMENTS**

##### **5.1 Deposit**

Each Chargor must promptly following the Senior Discharge Date (or, if the relevant Security Asset is acquired following the Senior Discharge Date, the date of acquisition of the relevant Security Asset):

- (a) deposit with the Secured Party, or as the Secured Party may direct, all certificates and other documents of title or evidence of ownership in relation to its Investments; and
- (b) execute and deliver to the Secured Party all share transfers and other documents which may be required by the Secured Party (acting reasonably) in order to enable the Secured Party or its nominees to be registered as the owner of or otherwise obtain a legal title to its Investments.

##### **5.2 Calls**

- (a) During the Security Period, each Chargor must pay all calls or other payments due and payable in respect of any of its Investments.
- (b) If any Chargor fails to do so, the Secured Party may, following the Senior Discharge Date, pay the calls or other payments in respect of any Investments on behalf of a Chargor. Each Chargor must, promptly on request, reimburse the Secured Party for any payment made by the Secured Party under this Clause 5.2 (Calls).

##### **5.3 Other obligations in respect of Investments**

- (a) Each Chargor must promptly send a copy to the Secured Party of, and comply with all requests for, information which is within its knowledge and which are made under any law or regulation or any similar provision contained in any articles of association or other constitutional document, or by any listing or other authority, relating to any of its Investments. If it fails to do so, the Secured Party may elect to provide such information as it may have on behalf of a Chargor.
- (b) Each Chargor must comply with all other conditions and obligations assumed by it in respect of any of its Investments.
- (c) The Secured Party is not obliged to and shall not prior to the Senior Discharge Date:

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<sup>1</sup> If Magnavale wishes to take any legal mortgages these need to be taken after the Senior Discharge Date. As such these clauses are irrelevant at present.

- (i) perform any obligation of a Chargor;
- (ii) make any payment;
- (iii) make any enquiry as to the nature or sufficiency of any payment received by it or any Chargor; or
- (iv) present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under this Deed,

in respect of any Investments.

#### **5.4 Voting rights**

- (a) Before this Security becomes enforceable:
  - (i) the voting rights, powers and other rights in respect of its Investments will be exercised by the relevant Chargor; and
  - (ii) all dividends, distributions or other income paid or payable in relation to any of its Investments, prior to the Senior Discharge Date, in accordance with the Facility Agreement, must be paid directly to the relevant Chargor which shall, prior to the Senior Discharge Date, apply such dividends or distributions in accordance with the terms of the Facility Agreement.
- (b) Each Chargor must indemnify the Secured Party against any loss or liability incurred by the Secured Party as a consequence of the Secured Party acting in respect of any of its Investments as permitted by this Deed on the direction of a Chargor other than where such liability arises from the gross negligence or wilful default or fraud on the part of the Secured Party.
- (c) Subject to paragraph (d) below, provided that the Senior Discharge Date has occurred, after this Security has become enforceable, the Secured Party may exercise (in the name of the relevant Chargor and without any further consent or authority on the part of that Chargor) any voting rights and any powers or rights which may be exercised by the legal or beneficial owner of any Investment, any person who is the holder of any Investment or otherwise.
- (d) The Secured Party shall not be entitled to exercise any voting rights or any other powers or rights under paragraph (c) above if and to the extent that:
  - (i) a notifiable acquisition would, as a consequence, take place under section 6 of the National Security and Investment Act 2021 (the **NSI Act**) and any regulations made under the NSI Act; and
  - (ii) either:
    - (A) the Secretary of State has not approved that notifiable acquisition in accordance with the NSI Act; or
    - (B) the Secretary of State has approved that notifiable acquisition in accordance with the NSI Act but there would, as a consequence, be a breach of the provisions of a final order made in relation to that notifiable acquisition under the NSI Act.

## 6. ACCOUNTS

### 6.1 General

In this Clause 6, **Account Bank** means a person with whom an Account is maintained under the Facility Agreement.

### 6.2 Book debts and receipts

(a) During the Security Period, each Chargor must get in and realise its:

- (i) Rental Income and other amounts due from tenants or any other occupiers of the Mortgaged Property; and
- (ii) book and other debts and other moneys due and owing to it,

in the ordinary course of its business and hold the proceeds of the getting in and realisation (until payment into an Account if required in accordance with paragraph (b) below) on trust, prior to the Senior Discharge Date, for the Security Agent and, immediately from the Senior Discharge Date, for the Secured Party (in each case unless otherwise agreed with, prior to the Senior Discharge Date, the Security Agent and, after the Senior Discharge Date, the Secured Party).

(b) Each Chargor must, except to the extent that, after the Senior Discharge Date, the Secured Party otherwise agrees pay all the proceeds of the getting in and realisation into an Account.

### 6.3 Notices of charge

Immediately following the Senior Discharge Date, each Chargor must:

(a) in respect of any Account (other than the Excluded Accounts) opened:

- (i) on or before the date of this Deed, promptly following written request by the Secured Party; or
- (ii) after the date of this Deed, promptly following written request by the Secured Party,

serve a notice of charge, substantially in the form of Part 1 of Schedule 4 (Forms of Letter for Account Bank) or such other form as the Account Bank, the relevant Chargor and the Secured Party may agree to, on each Account Bank; and

- (iii) use reasonable endeavours to ensure that each Account Bank acknowledges the notice, substantially in the form of Part 2 of Schedule 4 (Forms of Letter for Account Bank) or such other form as the Account Bank, the relevant Chargor and the Secured Party may agree to; and

(b) in respect of any other account with a person listed in paragraph (c) of Clause 2.5 (Credit balances) opened:

- (i) on or before the date of this Deed, promptly following written request by the Secured Party; or
- (ii) after the date of this Deed, promptly following written request by the Secured Party,

serve a notice of charge, substantially in the form of Part 1 of Schedule 4 (Forms of Letter for Account Bank) or such other form as that person, the relevant Chargor and the Secured Party may agree to, on each person; and

- (iii) use reasonable endeavours to ensure that each person acknowledges the notice, substantially in the form of Part 2 of Schedule 4 (Forms of Letter for Account Bank) or such other form as that person, the relevant Chargor and the Secured Party may agree to.

## **7. HEDGING**

In relation to all Hedging Agreements, following the Senior Discharge Date, each Chargor must:

- (a) promptly following written request by the Secured Party or, in respect of any Hedging Agreement entered into after the date of this Deed, promptly following written request by the Secured Party, serve a notice of assignment, substantially in the form of Part 1 of Schedule 5 (Forms of Letter for Hedge Counterparty), on each counterparty to a Hedging Agreement; and
- (b) use reasonable endeavours to ensure that such counterparty acknowledges that notice, substantially in the form of Part 2 of Schedule 5 (Forms of Letter for Hedge Counterparty).

## **8. INSURANCES**

Immediately following the Senior Discharge Date, each Chargor must:

- (a) promptly following written request by the Secured Party or, in the case of any Insurance taken out by any Chargor after the execution of this Deed, promptly following written request by the Secured Party after the date on which such Insurance is taken out, serve a notice of assignment, substantially in the form of Part 1 of Schedule 6 (Forms of Letter for Insurers), on each counterparty to an Insurance or with such amendments thereto as the Secured Party (acting reasonably) may agree; and
- (b) use reasonable endeavours to ensure that such counterparty acknowledges that notice, substantially in the form of Part 2 of Schedule 6 (Forms of Letter for Insurers) or with such amendments thereto as the Secured Party (acting reasonably) may agree.

## **9. OTHER CONTRACTS**

Immediately following the Senior Discharge Date, each Chargor must:

- (a) in respect of any Relevant Contract entered into by any Chargor:
  - (i) on or before the date of this Deed, promptly following written request by the Secured Party; or
  - (ii) after the date of this Deed, promptly following written request by the Secured Party after the date on which such Relevant Contract is entered into,

serve a notice of assignment substantially in the form of Part 1 of Schedule 7 (Forms of Letter for Other Contracts) or with such amendments thereto as the Secured Party (acting reasonably) may agree, on each counterparty to that Relevant Contract;



- (b) in respect of any other contract listed in Clause 2.9 (Other contracts) (other than an Operational Contract) entered into by any Chargor:
  - (i) on or before the date of this Deed, promptly following written request by the Secured Party; or
  - (ii) after the date of this Deed, promptly following written request by the Secured Party, serve a notice of assignment or charge (as applicable) substantially in the form of Part 1 of Schedule 7 (Forms of Letter for Other Contracts) or with such amendments thereto as the Secured Party (acting reasonably) may agree, on each counterparty to the contract; or
- (c) in respect of any Operational Contract, promptly after a request by the Secured Party serve a notice of charge substantially in the form of Part 1 of Schedule 7 (Forms of Letter for Other Contracts) or with such amendments thereto as the Secured Party (acting reasonably) may agree, on each counterparty to the contract; and
- (d) in each case, use reasonable endeavours to ensure that each such party acknowledges that notice, substantially in the form of Part 2 of Schedule 7 (Forms of Letter for Other Contracts) or with such amendments thereto as the Secured Party (acting reasonably) may agree.

## **10. WHEN SECURITY BECOMES ENFORCEABLE**

### **10.1 Enforcement**

Subject to the Subordination Agreement and Deed of Priority, this Security will become immediately enforceable at the absolute discretion of the Secured Party.

### **10.2 Discretion**

After this Security has become enforceable, the Secured Party may enforce all or any part of this Security in any manner it sees fit.

### **10.3 Statutory powers**

The power of sale and other powers conferred by section 101 of the Act, as amended by this Deed, will be immediately exercisable at any time after this Security has become enforceable.

## **11. ENFORCEMENT OF SECURITY**

### **11.1 General**

- (a) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.
- (b) Section 103 of the Act (restricting the power of sale) and section 93 of the Act (restricting the right of consolidation) do not apply to this Security.
- (c) Following the Senior Discharge Date, the statutory powers of leasing conferred on the Secured Party are extended so as to authorise the Secured Party to lease, make agreements for leases, accept surrenders of leases and grant options as the Secured Party may think fit and without the need to comply with any provision of section 99 or section 100 of the Act.

**11.2 No liability as mortgagee in possession**

Neither the Secured Party nor any Receiver will be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable. Both the Secured Party and the Receiver are entitled at any time to go out of such possession.

**11.3 Privileges**

The Secured Party and each Receiver is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act, except that section 103 of the Act does not apply.

**11.4 Protection of third parties**

No person (including a purchaser) dealing with the Secured Party or a Receiver or its or his/her agents will be concerned to enquire:

- (a) whether the Secured Liabilities have become payable;
- (b) whether any power which the Secured Party or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
- (c) whether any money remains due under the DFA Documents; or
- (d) how any money paid to the Secured Party or to that Receiver is to be applied.

**11.5 Redemption of prior mortgages**

- (a) At any time after this Security has become enforceable, the Secured Party may:
  - (i) redeem any prior Security against any Security Asset; and/or
  - (ii) procure the transfer of that Security to itself; and/or
  - (iii) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on a Chargor.
- (b) After the Senior Discharge Date, each Chargor must pay to the Secured Party, promptly on demand, the costs and expenses incurred by the Secured Party in connection with any such redemption and/or transfer, including the payment of any principal or interest.

**11.6 Contingencies**

If this Security is enforced at a time when no amount is due under the DFA Documents but at a time when amounts may or will become due, the Secured Party (or a Receiver) may pay the proceeds of any recoveries effected by it into a suspense account or other account selected by it.

**11.7 Financial collateral**

- (a) To the extent that the Security Assets constitute "financial collateral" and this Deed and the obligations of a Chargor under this Deed constitute a "security financial collateral arrangement" (in each case, for the purpose of and as defined in the Financial Collateral Regulations), the Secured Party will, after the Senior Discharge Date, have the right after this Security has become enforceable

to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Liabilities.

- (b) Where any financial collateral is appropriated:
  - (i) if it is listed or traded on a recognised exchange, its value will be taken as being the value at which it could have been sold on the exchange on the date of appropriation; or
  - (ii) in any other case, its value will be such amount as the Secured Party reasonably determines having taken into account advice obtained by it from an independent commercial property adviser, investment bank or accountancy firm of national standing selected by it,

and the foregoing will constitute a commercially reasonable valuation method for the purposes of the Financial Collateral Regulations and each Finance Party will give credit for the proportion of the value of the financial collateral appropriated to its use.

## **12. RECEIVER**

### **12.1 Appointment of Receiver**

- (a) Subject to the terms of the Deed of Priority and the Subordination Agreement, except as provided below, the Secured Party may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:
  - (i) the Senior Discharge Date has occurred; and
  - (ii) this Security has become enforceable; or
  - (iii) a Chargor so requests in writing to the Secured Party at any time.
- (b) Any appointment under paragraph (a) above may be by deed, under seal or in writing under its hand.
- (c) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the Act) does not apply to this Deed.
- (d) The Secured Party is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under Part A1 of the Insolvency Act 1986 other than in respect of a floating charge referred to in subsection (4) of section A52 of Part A1 of the Insolvency Act 1986.
- (e) The Secured Party may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Security Assets if the Secured Party is prohibited from so doing by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

### **12.2 Removal**

The Secured Party may by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

### **12.3 Remuneration**

The Secured Party may fix the remuneration of any Receiver appointed by it and the maximum rate specified in section 109(6) of the Act will not apply.

### **12.4 Agent of each Chargor**

- (a) A Receiver will be deemed to be the agent of each Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. Each Chargor alone is responsible for any remuneration, contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver other than omissions, defaults and losses rising as a consequence of the gross negligence or wilful default or fraud of the Receiver.
- (b) The Secured Party will not incur any liability (either to a Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

### **12.5 Relationship with Secured Party**

To the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after this Security becomes enforceable be exercised by the Secured Party in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.

## **13. POWERS OF RECEIVER**

### **13.1 General**

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause 13 in addition to those conferred on it by any law. This includes:
  - (i) in the case of an administrative receiver, all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986; and
  - (ii) otherwise, all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and the Insolvency Act 1986.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him/her states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

### **13.2 Possession**

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

### **13.3 Carry on business**

A Receiver may carry on any business of a Chargor in any manner he/she thinks fit.

### **13.4 Employees**

- (a) A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he/she thinks fit.
- (b) A Receiver may discharge any person appointed by a Chargor.

### **13.5 Borrow money**

A Receiver may raise and borrow money either unsecured or on the security of any Security Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which he/she thinks fit.

### **13.6 Sale of assets**

- (a) A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which he/she thinks fit.
- (b) The consideration for any such transaction may consist of cash or non-cash consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which he/she thinks fit.
- (c) Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of a Chargor.

### **13.7 Leases**

A Receiver may let any Security Asset for any term and at any rent (with or without a premium) which he/she thinks fit and may accept a surrender of any lease or tenancy of any Security Asset on any terms which he/she thinks fit (including the payment of money to a lessee or tenant on a surrender).

### **13.8 Compromise**

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of a Chargor or relating in any way to any Security Asset.

### **13.9 Legal actions**

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which he/she thinks fit.

### **13.10 Receipts**

A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Security Asset.

### **13.11 Subsidiaries**

A Receiver may form a Subsidiary of any Chargor and transfer to that Subsidiary any Security Asset.

### **13.12 Delegation**

A Receiver may delegate his/her powers in accordance with this Deed.

### **13.13 Lending**

A Receiver may lend money or advance credit to any person.

#### **13.14 Protection of assets**

A Receiver may:

- (a) effect any repair or insurance and do any other act which a Chargor might do in the ordinary conduct of its business to protect or improve any Security Asset;
- (b) commence and/or complete any building operation; and
- (c) apply for and maintain any planning permission, building regulation approval or any other Authorisation,

in each case as he/she thinks fit.

#### **13.15 Other powers**

A Receiver may:

- (a) do all other acts and things which he/she may consider necessary or desirable for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law;
- (b) exercise in relation to any Security Asset all the powers, authorities and things which he/she would be capable of exercising if he/she were the absolute beneficial owner of that Security Asset; and
- (c) use the name of each Chargor for any of the above purposes.

#### **14. APPLICATION OF PROCEEDS**

All amounts from time to time received or recovered by the Secured Party or any Receiver pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or part of this Security will be held by the Secured Party and applied prior to the Senior Discharge Date, in accordance with Deed of Priority and/or the Subordination Agreement and, following the Senior Discharge Date, in the following order:

- (a) in discharging sums owing to any Receiver or Delegate;
- (b) in payment of all costs and expenses incurred by the Secured Party in connection with the realisation or enforcement of the Security constituted by this Deed taken in accordance with the terms of the DFA Documents;
- (c) in discharging the Secured Liabilities in accordance with the DFA Documents; and
- (d) if the Secured Liabilities have been fully discharged, in payment to the relevant Chargors.

This Clause 14:

- (i) is subject to the payment of any claims having priority over this Security; and
- (ii) does not prejudice the right of any Secured Party to recover any shortfall from a Chargor.

## **15. DELEGATION**

### **15.1 Power of Attorney**

The Secured Party or any Receiver may, at any time, delegate by power of attorney or otherwise to any person for any period all or any right, power, authority or discretion exercisable by it under this Deed.

### **15.2 Terms**

Any such delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Secured Party or that Receiver (as the case may be) may, in its discretion, think fit in the interests of the Secured Parties.

### **15.3 Liability**

Neither the Secured Party nor any Receiver shall be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of, any such delegate or sub-delegate.

## **16. FURTHER ASSURANCES**

- (a) Each Chargor must promptly, at its own expense, take whatever action the Secured Party or a Receiver may require for:
  - (i) creating, perfecting or protecting any security over any Security Asset as permitted in accordance with the Deed of Priority and/or the Subordination Agreement; or
  - (ii) after the Senior Discharge Date, facilitating the realisation of any Security Asset, or the exercise of any right, power or discretion exercisable, by the Secured Party or any Receiver or any of their respective delegates or sub-delegates in respect of any Security Asset.
- (b) The action that may be required under paragraph (a) above includes:
  - (i) the execution of any charge, transfer, conveyance, assignment or assurance of any asset, whether to the Secured Party or to its nominees; or
  - (ii) the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Secured Party may consider necessary (acting reasonably).

## **17. POWER OF ATTORNEY**

### **17.1 Appointment**

Each Chargor, by way of security, irrevocably and severally appoints the Secured Party, each Receiver and any of their respective delegates or sub-delegates to be its attorney with the full power and authority of each Chargor to execute, deliver and perfect all deeds, instruments and other documents in its name and otherwise on its behalf and to do or cause to be done all acts and things, in each case which may be required or which any attorney may in its absolute discretion deem necessary for carrying out any obligation of any Chargor under or pursuant to this Deed or generally for enabling the Secured Party or any Receiver to exercise the respective powers conferred on them

under this Deed or by law. Each Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 16.

## **17.2 Exercise of Rights**

The rights under Clause 17.1 (Appointment) shall only be exercisable after the Senior Discharge Date:

- (a) in connection with the exercise of an action by the Secured Party or a Receiver pursuant to Clause 16 (Further Assurances); or
- (b) if the relevant Chargor has failed to comply with an obligation under this Deed within three Business Days of being notified of that failure and being requested to comply.

## **18. MISCELLANEOUS**

### **18.1 Continuing Security**

This Security 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.

### **18.2 Tacking**

The Secured Party must perform its obligations under each Development and Funding Agreement (including any obligation to make available further advances).

### **18.3 New Accounts**

- (a) If any subsequent charge or other interest affects any Security Asset, a Secured Party may open a new account with the Chargors.
- (b) If that Secured Party does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other interest.
- (c) As from that time all payments made to that Secured Party will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liability.

### **18.4 Time deposits**

Without prejudice to any right of set-off any Secured Party may have under any other DFA Document or otherwise, if any time deposit matures on any account each Chargor has with any Secured Party within the Security Period after the Senior Discharge Date has occurred when:

- (a) this Security has become enforceable; and
- (b) no Secured Liability is due and payable,

that time deposit will automatically be renewed for any further maturity which that Secured Party considers appropriate.

### **18.5 Changes to constitutional documents**

No Chargor shall amend, terminate or waive any provision of its constitutional documents to the extent that such amendment, termination or waiver could reasonably be expected to be adverse to the interests of any Finance Party.



**19. 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.

**20. RELEASE**

At the end of the Security Period, the Secured Party shall, following a request from the Chargors and at the cost of the Chargors, promptly take whatever action is necessary to release its Security Assets from this Security, re-assign any rights assigned under this Deed, return all deeds and documents of title delivered to the Secured Party under this Deed and execute and deliver such further deeds or documents as the Chargors may reasonably require in order to give effect to this Clause 20.

**21. GOVERNING LAW**

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

**22. ENFORCEMENT**

**22.1 Jurisdiction**

- (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 the consequences of its nullity or any non-contractual obligation arising out of or in connection with this Deed) (a **Dispute**).
- (b) 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.
- (c) Notwithstanding paragraph (a) above, no Finance Party or Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties and Secured Parties may take concurrent proceedings in any number of jurisdictions.

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

**SCHEDULE 1****THE CHARGORS**

<b>Name of Chargor</b>	<b>Jurisdiction of incorporation or existence and corporate information</b>	<b>Registration / Incorporation number</b>
Magnavale Chesterfield Ltd	England and Wales	02372728
Magnavale Scunthorpe Ltd	England and Wales	07413339



## SCHEDULE 2

### FORMS OF LETTER FOR OCCUPATIONAL TENANTS

#### PART 1

#### NOTICE TO OCCUPATIONAL TENANT

To: [Occupational tenant]

Copy: Magnavale Properties Limited (as Secured Party as defined below)

[Date]

Dear Sir / Madam,

Re: [Property address]

**Security Agreement dated [ ] between [Chargor]  
and Magnavale Properties Limited as secured party (the Security Agreement)**

We refer to the lease dated [ ] and made between [ ] and [ ] (the **Lease**).

This letter constitutes notice to you that under the Security Agreement we have assigned absolutely (subject to a proviso for re-assignment on redemption) to Magnavale Properties Limited (the **Secured Party**) all our rights under the Lease.

We confirm that:

- (a) we will remain liable under the Lease to perform all the obligations assumed by us under the Lease; and
- (b) none of the Secured Party, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Lease.

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

[We irrevocably instruct and authorise you to pay all rent and all other moneys payable by you under the Lease to our account [with [●] at [ ], Account No. [ ], Sort Code [ ] (the **Rent Account**).]

The instructions in this letter apply until you receive notice from the Secured Party to the contrary and notwithstanding any previous instructions given by us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Secured Party.

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

Please confirm your agreement to the above by signing the attached acknowledgement and returning it to the Secured Party at [address] with a copy to us.

Yours faithfully,

.....  
(Authorised Signatory)  
[Chargor]

**PART 2**

**ACKNOWLEDGEMENT OF OCCUPATIONAL TENANT**

To: Magnavale Properties Limited (as Secured Party)

Attention: [ ]

[Date]

Dear Sir/ Madam,

Re: [Property address]

**Security Agreement dated [ ] between [Chargor]  
and Magnavale Properties Limited (the Security Agreement)**

We confirm receipt from [Chargor] (the **Chargor**) of a notice dated [ ] (the **Notice**) in relation to the Lease (as defined in the Notice).

We confirm that we:

- (a) accept the instructions contained in the Notice and agree to comply with the Notice;
- (b) have not received any notice of any prior security over the Lease or that any third party has or will have any right or interest in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Chargor under or in respect of the Lease;
- (c) must pay all rent and all other moneys payable by us under the Lease into the Rent Account (as defined in the Notice); and
- (d) must continue to pay those moneys into the Rent Account (as defined in the Notice) until we receive your written instructions to the contrary.

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

Yours faithfully,

.....  
For  
[Occupational tenant]

**SCHEDULE 3**  
**FORMS OF LETTER FOR ACCOUNT BANK**

**PART 1**

**NOTICE TO ACCOUNT BANK**

To: [Account Bank]

Copy: Magnavale Properties Limited (as Secured Party as defined below)

[Date]

Dear Sir / Madam,

**Security Agreement dated [ ] between [Chargor]  
and Magnavale Properties Limited as secured party (the Security Agreement)**

This letter constitutes notice to you that under the Security Agreement we have charged (by way of a first fixed charge) in favour of Magnavale Properties Limited (the **Secured Party**) all our rights in respect of any account, and any amount standing to the credit of any account, maintained by us with you (the **Accounts**).

We irrevocably instruct and authorise you to:

- (a) disclose to the Secured Party any information relating to any Account requested in writing from you by the Secured Party;
- (b) comply with the terms of any written notice or instruction relating to any Account received by you from the Secured Party;
- (c) hold all sums standing to the credit of any Account to the order of the Secured Party; and

in respect of any Account other than our account with [ ] (account number [ ], sort code [ ]) (the **General Account**), pay or release any sum standing to the credit of any such Account in accordance with the written instructions of the Secured Party.

We are not permitted to withdraw any amount from any Account other than the General Account without the prior written consent of the Secured Party.

[In respect of the General Account, we are permitted to withdraw any amount from the General Account for any purpose unless and until you receive a notice from the Secured Party to the contrary stating that we are no longer permitted to withdraw any amount from the General Account without its consent. If and from the date on which you receive any such notice, we will not be permitted to withdraw any amount from the General Account without the prior written consent of the Secured Party.]<sup>2</sup>

We acknowledge that you may comply with the instructions in this letter without any further permission from us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Secured Party.

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<sup>2</sup> To be adapted as applicable.

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

Please confirm your agreement to the above by sending the attached acknowledgement to the Secured Party at [address] with a copy to us.

Yours faithfully,

.....  
(Authorised Signatory)  
[Chargor]



**PART 2**

**ACKNOWLEDGEMENT OF ACCOUNT BANK**

To: Magnavale Properties Limited (as Secured Party)

Copy: [Chargor]

[Date]

Dear Sir / Madam,

**Security Agreement dated [ ] between [Chargor]  
and Magnavale Properties Limited as secured party (the Security Agreement)**

We confirm receipt from [Chargor] (the **Chargor**) of a notice dated [ ] (the **Notice**) of a charge upon the terms of the Security Agreement over all the rights of the Chargor to any amount standing to the credit of any of the Chargor's accounts with us (the **Accounts**).

We confirm that we:

- (a) accept the instructions contained in the Notice and agree to comply with the Notice;
- (b) have not received notice of any prior security over, or the interest of any third party in, any Account;
- (c) have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of any Account;
- (d) will not permit any amount to be withdrawn from any Account other than the General Account (as defined in the Notice) without your prior written consent; and
- (e) will comply with any written notice we may receive from the Secured Party in respect of the General Account.

The Accounts maintained with us are:

[Specify accounts and account numbers]

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

Yours faithfully,

.....  
(Authorised signatory)  
[Account Bank]

**SCHEDULE 4**  
**FORMS OF LETTER FOR HEDGE COUNTERPARTY**

**PART 1**

**NOTICE TO HEDGE COUNTERPARTY**

To: [Hedge Counterparty]

Copy: Magnavale Properties Limited (as Secured Party as defined below)

[Date]

Dear Sir/ Madam,

**Security Agreement dated [       ] between [Chargor]  
and Magnavale Properties Limited as secured party (the Security Agreement)**

This letter constitutes notice to you that under the Security Agreement we assigned absolutely, subject to a proviso for re-assignment on redemption, to Magnavale Properties Limited (the **Secured Party**) all our rights under any hedging agreements between you and us (the **Hedging Agreements**).

We irrevocably instruct and authorise you to:

- (a) disclose to the Secured Party any information relating to the Hedging Agreements which the Secured Party may request from you; and
- (b) pay any sum payable by you under the Hedging Agreements to our account at [●] (account number [●], sort code [●]).

The instructions in this letter apply until you receive written notice from the Secured Party to the contrary and notwithstanding any previous instructions given by us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Secured Party.

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

Please confirm your agreement to the above by signing the attached acknowledgement and returning it to the Secured Party at [address] with a copy to us.

Yours faithfully,

.....  
(Authorised signatory)  
[Chargor]

## PART 2

### ACKNOWLEDGEMENT OF HEDGE COUNTERPARTY

To: Magnavale Properties Limited (as Secured Party)

Copy: [Chargor]

[Date]

Dear Sir / Madam,

**Security Agreement dated [ ] between [Chargor]  
and Magnavale Properties Limited as secured party (the Security Agreement)**

We confirm receipt from [Chargor] (the **Chargor**) of a notice dated [ ] (the **Notice**) of an assignment upon the terms of the Security Agreement of all the Chargor's rights under the Hedging Agreements (as defined in the Notice).

We confirm that we:

- (a) accept the instructions contained in the Notice and agree to comply with the Notice;
- (b) have not received notice of any prior security over, or the interest of any third party in, the Hedging Agreements;
- (c) must pay any amount payable by us under the Hedging Agreements to the Chargor's account with you at [●] (account number [●], sort code [●]); and
- (d) must accept your written instructions in relation to the Chargor's rights under the Hedging Agreements.

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

Yours faithfully,

.....  
(Authorised signatory)  
[Hedge Counterparty]

**SCHEDULE 5**  
**FORMS OF LETTER FOR INSURERS**

**PART 1**  
**NOTICE TO INSURER**

To: [Insurer]

Copy: Magnavale Properties Limited (as Secured Party as defined below)

[Date]

Dear Sir / Madam,

**Security Agreement dated [ ] between [Chargor]  
and Magnavale Properties Limited as secured party (the Security Agreement)**

This letter constitutes notice to you that under the Security Agreement we have assigned absolutely, subject to a proviso for re-assignment on redemption, to Magnavale Properties Limited (the **Secured Party**) all our rights in respect of [insert details of contract of insurance] (the **Insurance**).

We confirm that:

- (a) we will remain liable under the Insurance to perform all the obligations assumed by us under the Insurance; and
- (b) none of the Secured Party, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Insurance (unless, and to the extent, otherwise expressly provided for in the Insurance).

We will also remain entitled to exercise all our rights, powers and discretions under the Insurance, and you should continue to give notices and make payments under the Insurance to us (unless, and to the extent, otherwise expressly provided for in the Insurance or in any insurer letter you may have issued to the Secured Party in respect of the Insurance), unless and until you receive written notice from the Secured Party to the contrary stating that the security under the Security Agreement has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given and payments must be made to, the Secured Party or as it directs (unless, and to the extent, otherwise expressly provided for in the Insurance or in any insurer letter you may have issued to the Secured Party in respect of the Insurance).

We irrevocably instruct and authorise you to disclose to the Secured Party any information relating to the Insurance requested from you by the Secured Party.

The instructions in this letter may not be revoked or amended without the prior written consent of the Secured Party.

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

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Secured Party at [address] with a copy to us.

Yours faithfully,

.....  
(Authorised signatory)  
[Chargor]

## PART 2

### ACKNOWLEDGEMENT OF INSURER

To: Magnavale Properties Limited (as Secured Party)

Copy: [Chargor]

[Date]

Dear Sir / Madam,

**Security Agreement dated [ ] between [Chargor]  
and Magnavale Properties Limited as secured party (the Security Agreement)**

We confirm receipt from [Chargor] (the **Chargor**) of a notice dated [ ] (the **Notice**) of an assignment on the terms of the Security Agreement of all the Chargor's rights in respect of [insert details of the contract of insurance] (the **Insurance**).

We confirm that we:

- (a) accept the instructions contained in the Notice and agree to comply with the Notice; and
- (b) will give notices and make payments under the Insurance as directed in the Notice.

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

Yours faithfully,

.....  
(Authorised signatory)  
[Insurer]

**SCHEDULE 6**  
**FORMS OF LETTER FOR OTHER CONTRACTS**  
**PART 1**  
**NOTICE TO COUNTERPARTY**

To: [Contract Counterparty]

Copy: Magnavale Properties Limited (as Secured Party as defined below)

[Date]

Dear Sir / Madam,

**Security Agreement dated [ ] between [Chargor]  
and Magnavale Properties Limited as secured party (the Security Agreement)**

This letter constitutes notice to you that under the Security Agreement we have [assigned absolutely, subject to a proviso for re-assignment on redemption,]/[charged by way of a first fixed charge]<sup>3</sup> to Magnavale Properties Limited (the **Secured Party**) all our rights in respect of [insert details of contract] (the **Contract**).

We confirm that:

- (a) we will remain liable under the Contract to perform all the obligations assumed by us under the Contract; and
- (b) none of the Secured Party, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Contract.

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

We irrevocably instruct and authorise you to disclose to the Secured Party any information relating to the Contract requested from you by the Secured Party.

The instructions in this letter may not be revoked or amended without the prior written consent of the Secured Party.

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

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Secured Party at [address] with a copy to us.

---

<sup>3</sup> Delete as applicable.

Yours faithfully,

.....  
(Authorised signatory)  
[Chargor]



## PART 2

### ACKNOWLEDGEMENT OF COUNTERPARTY

To: Magnavale Properties Limited (as Secured Party)

Copy: [Chargor]

[Date]

Dear Sir /Madam,

**Security Agreement dated [ ] between [Chargor]  
and Magnavale Properties Limited as secured party (the Security Agreement)**

We confirm receipt from [Chargor] (the **Chargor**) of a notice dated [ ] (the **Notice**) of [an assignment]/[fixed charge]<sup>4</sup> on the terms of the Security Agreement of all the Chargor's rights in respect of [insert details of the contract] (the **Contract**).

We confirm that we:

- (a) accept the instructions contained in the Notice and agree to comply with the Notice; and
- (b) will give notices and make payments under the Contract as directed in the Notice.

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

Yours faithfully,

.....  
(Authorised signatory)  
[Contract counterparty]

---

<sup>4</sup> Delete as applicable.

SIGNATORIES

Chargor

EXECUTED as a deed by  
MAGNAVALE CHESTERFIELD LTD  
acting by Andrew Lawrence  
and Amanda Cogan

)  
)  
)  
) Director  
  
Director

Chargor

EXECUTED as a deed by  
MAGNAVALE SCUNTHORPE LTD  
acting by Andrew Lawrence  
and Amanda Cogan

)  
)  
)  
) Director

Secured Party

EXECUTED as a deed by  
MAGNAVALE PROPERTIES LIMITED  
acting by Andrew Lawrence  
and Shane Mitchell

)  
)  
)  
) Director