



Registration of a Charge

Company name: **FOLKESTONE HIGH HOLBORN (NUMBER 2) LIMITED**

Company number: **04564919**



X58LZ53F

Received for Electronic Filing: **07/06/2016**

Details of Charge

Date of creation: **01/06/2016**

Charge code: **0456 4919 0004**

Persons entitled: **DEUTSCHE HYPOTHEKENBANK (ACTIEN-GESELLSCHAFT)**

Brief description: **67-70 CHANCERY LANE, LONDON REGISTERED WITH TITLE NUMBER NGL871864. 313-318 HIGH HOLBORN, 67 TO 73 CHANCERY LANE AND 2 SOUTHAMPTON BUILDINGS REGISTERED WITH TITLE NUMBER NGL787231.**

Contains fixed charge(s).

Contains floating charge(s) .

Contains negative pledge.

Chargor acting as a bare trustee for the property.

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: **SIMON SHARP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 4564919

Charge code: 0456 4919 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 1st June 2016 and created by FOLKESTONE HIGH HOLBORN (NUMBER 2) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 7th June 2016 .

Given at Companies House, Cardiff on 8th June 2016

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATED

1 June 2016

THE PARTIES LISTED IN Schedule 1 (*Chargors*)
as Chargors

DEUTSCHE HYPOTHEKENBANK (ACTIEN-GESELLSCHAFT) acting through its
London Branch
as Security Trustee

DEBENTURE

in respect of a term loan facility relating to 67-70 Chancery Lane and 313-318 High Holborn,
London

We certify that, save for material redacted pursuant to s.859G
Companies Act 2006, this copy instrument is a correct copy
of the original instrument.
BERWIN LEIGHTON PAISNER LLP 7.06.16
Berwin Leighton Paisner LLP
Adelaide House
London Bridge
London EC4R 9HA



Berwin Leighton Paisner LLP
Adelaide House, London Bridge, London EC4R 9HA
Tel: +44 (0)20 3400 1000 Fax: +44 (0)20 3400 1111

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DATED 1 June 2016

PARTIES

- (1) **THE PARTIES** listed in Schedule 1 (*Chargors*) (the "**Chargors**")
- (2) **DEUTSCHE HYPOTHEKENBANK (ACTIEN-GESELLSCHAFT)** acting through its London Branch as security trustee for the Secured Parties (the "**Security Trustee**")

BACKGROUND

- (A) The Secured Parties have agreed the advance or to continue to advance monies or otherwise arrange credit or afford other financial facilities to the Borrowers and/or others on the security created by this Deed.
- (B) Each Chargor has agreed to charge its assets as security to the Security Trustee as set out in this Deed to secure the payment and discharge of the Secured Liabilities.

OPERATIVE PROVISIONS

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

"**Accounts**" means the accounts details of which are set out in Schedule 2, Part 2 (*The Accounts*). 1 June

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

"**Agreement for Lease**" means an agreement to grant an Occupational Lease for all or part of a Property.

"**Charged Assets**" means each and all of the assets, property, undertaking and other interests from time to time assigned or charged or intended to be assigned or charged by this Deed and the subject matter of each of them.

"**Charged Property**" means any freehold or leasehold property from time to time charged pursuant to this Deed.

"**Disposal Proceeds**" means the net disposal proceeds derived from the disposal of a Property or the shares in a Borrower.

"**Facility Agreement**" means the facility agreement dated on or about the date hereof and made between amongst others (1) the Security Trustee and (2) the Chargors (as amended, novated, supplemented, extended and/or restated from time to time).

"**Finance Document**" shall have the meaning ascribed to it by the Facility Agreement.

"**Finance Party**" shall have the meaning ascribed to it by the Facility Agreement.

"**Hedging Agreement**" means any master agreement, confirmation, transaction, schedule or other agreement entered into or to be entered into by a Chargor for the purpose of hedging interest payable under the Facility Agreement.

"Insurances" means any policy of insurance in which a Chargor may at any time have an interest.

"Investments" means the existing or future interest of the relevant person in:

- (a) any stocks, shares (including all shares in any residents' or management company connected with the Properties), bonds, units or any form of loan or other capital of or in any legal entity; and
- (b) any warrant or other right to acquire any such investment,

in each case, including any income, offer, right or benefit in respect of any such investment.

"Lease Document" means:

- (a) an Agreement for Lease;
- (b) an Occupational Lease; or
- (c) any other document designated as such by the Facility Agent and a Chargor.

"Licences" means each and all of the grants, authorities, licences, quotas, certificates and justices and excise licences now or in the future attached to the Charged Assets and/or the business of a Chargor.

"Occupational Lease" means any lease or licence or other right of occupation or right to receive rent to which a Property may at any time be subject and includes any guarantee of a tenant's obligations under the same.

"Party" means a party to this Deed.

"Property" means each property details of which are set out in Schedule 2, Part 1 (*The Properties*) including all:

- (a) land, cellars, vaults, underground tunnels, eaves, canopies, structures and the like used or enjoyed in connection with it now or in the future;
- (b) buildings, fixtures (including trade fixtures) and fixed plant and machinery and other structures now or in future on it; and
- (c) easements, access rights, rights of way, wayleaves and rights attaching to it.

"Receiver" means a receiver, administrator or receiver and manager or administrative receiver appointed by the Security Trustee under this Deed (whether sole, joint and/or several and including any substitute).

"Regulations" means the Financial Collateral Arrangements (No 2) Regulations 2003 (S.I. 2003/3226) or equivalent legislation in any applicable jurisdiction bringing into effect Directive 2002/47/EC on financial collateral arrangements.

"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,

both present and future (including all rights against any trustee, nominee, fiduciary or clearing system).

"Relevant Contracts" means each and all of the following both present and future:

(a) each contract in respect of any disposal of any Charged Asset;

(b) each Lease Document;

(c) the Licences;

(d) any managing agent's agreement;

(e) each of the Insurances;

(f) the Nominee Agreement; and

(g) all other agreements, in which a Chargor has an interest,

In each case, including any guarantees or sureties entered into in respect of them.

"Rental Income" means the aggregate of all amounts paid or payable to or for the account of any Chargor in connection with the letting, licence or grant of other rights of use or occupation of any part of a Property, including each of the following amounts:

(a) rent, licence fees and equivalent amounts paid or payable;

(b) any sum received or receivable from any deposit held as security for performance of a tenant's obligations;

(c) a sum equal to any apportionment of rent allowed in favour of any Chargor;

(d) any other moneys paid or payable in respect of occupation and/or usage of that Property and any fixture and fitting on that Property including any fixture or fitting on that Property for display or advertisement, on licence or otherwise;

(e) any sum paid or payable under any policy of insurance in respect of loss of rent or interest on rent;

(f) any sum paid or payable, or the value of any consideration given, for the grant, surrender, amendment, supplement or extension of any Lease Document;

(g) any sum paid or payable in respect of a breach of covenant or dilapidations under any Lease Document;

(h) any sum paid or payable by or distribution received or receivable from any guarantor of any occupational tenant under any Lease Document;

(i) any Tenant Contributions; and

- (j) any interest paid or payable on, and any damages, compensation or settlement paid or payable in respect of, any sum referred to above less any related fees and expenses incurred (which have not been reimbursed by another person) by any Chargor.

"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 Transaction Obligor to any Secured Party under each Finance Document.

"Secured Party" shall have the meaning ascribed to it by the Facility Agreement.

"Tenant Contributions" means any amount paid or payable to a Chargor by any tenant under a Lease Document or any other occupier of a Property, by way of:

- (a) contribution to:
 - (i) ground rent;
 - (ii) insurance premia;
 - (iii) the cost of an Insurance valuation;
 - (iv) a service or other charge in respect of any Chargor's costs in connection with any management, repair, maintenance or similar obligation or in providing services to a tenant of, or with respect to a Property; or
 - (v) a reserve or sinking fund; or
- (b) VAT.

"Transaction Obligor" shall have the meaning ascribed to it by the Facility Agreement.

"VAT" means:

- (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a), or imposed elsewhere.

1.2 Construction

- 1.2.1 Unless the contrary intention is expressed, all defined terms in the Facility Agreement have the same meaning here.
- 1.2.2 The construction provisions set out at clause 1.2 (Construction) of the Facility Agreement shall apply equally to this Deed.
- 1.2.3 If any provision of this Deed shall conflict with any term of the Facility Agreement then the relevant term of the Facility Agreement shall prevail.
- 1.2.4 Each Chargor gives the same representations and undertakings to the Facility Agent as given by each Obligor in clauses 19 (Representations), clause 22 (General Undertakings) and clause 23 (Property Undertakings) (including clause 22.3

(Negative Pledge) of the Facility Agreement in each case as if set out in full and as if each reference to an Obligor in those clauses was a reference to that Chargor.

- 1.2.5 Clause 17 (Bank accounts) and clause 32 (Set-off) of the Facility Agreement are incorporated in this Deed in each case as if set out in full and with necessary changes.

1.3 Disposition of Property

The terms of any other Finance Document and of any side letters between the Parties are incorporated into each Finance Document to the extent required for the purported disposition of any Property contained in any Finance Document to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.4 Joint and several Chargors

Where two or more Chargors have an interest in the same Asset then:

- (a) such of them as have a joint interest in the same Asset shall be deemed to have jointly mortgaged, charged and/or assigned, as appropriate, their joint interest in the relevant Asset;
- (b) each such Chargor shall be deemed to have mortgaged, charged and/or assigned, as appropriate, its individual interest (if any) in the relevant Asset;
- (c) each such Chargor shall be deemed to have confirmed the Security granted by the others;
- (d) the power of attorney granted under Clause 7.6 (*Power of attorney*) in relation to such Asset shall be deemed to have been granted and ratified by such of the Chargors as have a joint interest in such Asset; and

for, the purposes of this Clause 1.4 (*Joint and several Chargors*), "Asset" means any asset, property, undertaking or interest.

2 COVENANT FOR PAYMENT

2.1 Covenant to pay

Each Chargor covenants with the Security Trustee that it will:

- (a) on demand, pay and discharge each and all of the Secured Liabilities when due; and
- (b) indemnify and keep each Secured Party indemnified from and against all actions, charges, claims, costs, damages, proceedings and other liabilities occasioned by any breach of any covenant or other obligation of any Chargor to that Secured Party.

2.2 Survival of obligations

The payment obligations of each Chargor under the Finance Documents shall survive the enforcement of the whole or any part of the Charged Assets.

3 SECURITY

3.1 General

All the security created under this Deed is created in favour of the Security Trustee as continuing security for the payment and discharge of the Secured Liabilities with full title guarantee.

3.2 Mortgage

Each Chargor charges by way of legal mortgage:

- (a) each Property; and
- (b) any other freehold or leasehold property now vested in that Chargor.

3.3 Fixed charge

Each Chargor charges by way of fixed charge each of the following including all rights of enforcement of the same:

- (a) its interest in any freehold or leasehold property acquired after the date of this Deed;
- (b) its interest in the Relevant Contracts;
- (c) all fixtures, fittings, plant, machinery, manuals and other chattels, present and future, in respect of any Charged Property and all guarantees and warranties in respect of any of them;
- (d) all easements, licences and other rights, present and future, relating to any Charged Property in which it has an interest;
- (e) the Accounts and any other accounts of that Chargor present and future maintained with the Security Trustee or any other Finance Party and the debts represented by them;
- (f) the Investments;
- (g) if applicable its uncalled capital;
- (h) its goodwill;
- (i) each of the items specified in Clause 3.4 (*Assignment*) to the extent not validly and effectively assigned pursuant to that clause; and
- (j) all Related Rights in respect of the above and in respect of the properties referred to in Clause 3.2 (*Mortgage*).

3.4 Assignment

Each Chargor assigns absolutely subject to the provisions of Clause 10 (*Discharge*) each of the following including all rights of enforcement of the same:

- (a) all Rental Income present and future;
- (b) the Disposal Proceeds;
- (c) all book debts and other debts, present and future, payable to that Chargor;

- (d) the Accounts and any other accounts of that Chargor present and future not charged by Clause 3.3 (*Fixed charge*) and the debts represented by them;
- (e) all monies payable to it under any Insurances;
- (f) the benefit of the copyright and similar rights vested in it, present and future, in connection with any Charged Property;
- (g) all causes of action and other rights and remedies in which it has an interest at any time;
- (h) each Hedging Agreement and all monies payable to it under any Hedging Agreement, present and future;
- (i) the benefit of any monies paid or payable to it from time to time by way of compensation, endowment, gift, grant or otherwise;
- (j) its interest from time to time in any VAT recoveries;
- (k) any collateral warranty entered into or to be entered into by a Chargor; and
- (l) all Related Rights in respect of the above.

3.5 Floating charge

Each Chargor charges by way of floating charge all its assets, property and undertaking both present and future.

3.6 Application of charges

The charges created under this Deed expressed to be:

- (a) fixed charges, shall only apply to the extent that they create fixed security; and
- (b) floating charges, shall not apply to any Charged Asset which is the subject of any fixed security under this Deed.

4 CRYSTALLISATION OF FLOATING CHARGE

4.1 Crystallisation by notice

The Security Trustee may at any time by notice in writing to the Chargors convert the floating charge created by Clause 3.5 (*Floating charge*) with immediate effect into a fixed charge as regards any Charged Assets specified in the notice if:

- (a) an Event of Default has occurred and is continuing; or
- (b) the Security Trustee considers that any of the Charged Assets may be in jeopardy or in danger of being seized, attached, charged, taken possession of or sold under any form of legal process.

4.2 Automatic crystallisation

Notwithstanding Clause 4.1 (*Crystallisation by notice*) and without prejudice to any law which may have a similar effect, the floating charge created by Clause 3.5 (*Floating charge*) will convert automatically with immediate effect into fixed charges as regards all the assets subject to the floating charge if:

- (a) any Chargor creates or attempts to create any Security over any Charged Assets;
- (b) any steps are taken (including the giving of notice, the presentation of a petition, the passing of a resolution or the making of an application) to appoint a liquidator, provisional liquidator, administrator or receiver in respect of any Chargor or over all or any part of its assets, or if such person is appointed;
- (c) any other floating charge over any of the Charged Assets crystallises; or
- (d) in any other circumstances prescribed by law.

5 **PERFECTION OF SECURITY**

5.1 **Insolvency Act**

For the purposes of paragraph 43 of schedule A1 to the Insolvency Act 1986 nothing in this Deed shall provide for:

- (a) the obtaining of a moratorium in respect of any Chargor pursuant to section 1A of the Insolvency Act 1986; or
- (b) anything done with a view to obtaining such a moratorium,

to be an event causing the floating charge created by this Deed to crystallise or causing restrictions which would not otherwise apply to being imposed on the disposal of property by that Chargor or a ground for the appointment of a Receiver.

5.2 **Further assurance**

5.2.1 Each Chargor shall execute and do at its own cost and in such form as is reasonably required by the Security Trustee:

- (a) such further additional mortgages, charges, assignments, transfers and conveyances; and
- (b) such assurances, deeds, documents, acts and things,

as the Security Trustee may reasonably require to perfect or protect the security created by this Deed and/or, upon and following an enforcement of the Security constituted by this Deed, to facilitate or effect any dealing with the Charged Assets in connection with this Deed.

5.2.2 Each Chargor shall promptly at its own cost enter into, execute and complete a legal mortgage over any freehold or leasehold property in England and Wales in which it has an interest from time to time and which is not already the subject of a registrable legal mortgage in favour of the Security Trustee.

5.3 **Notices**

5.3.1 If the Security Trustee from time to time so requests, each Chargor shall serve a notice in the form set out in:

- (a) Schedule 4, Part 1 (*Notice of assignment or charge of contract*) in respect of contracts charged or assigned pursuant to Clause 3 (*Security*) (other than, prior to the occurrence of an Event of Default, any assured shorthold tenancy under the Housing Act 1988); and

- (b) *Schedule 4, Part 2 (Notice of assignment or charge of account)* in respect of Accounts charged or assigned pursuant to Clause 3 (*Security*).

5.3.2 Each Chargor shall use reasonable endeavours to procure that the party to whom a notice served pursuant to Clause 5.3.1(a) is addressed completes and returns to the Security Trustee an acknowledgement in the form of Part B of the relevant notice.

5.3.3 Each Chargor shall use all reasonable endeavours to procure that the party to whom a notice served pursuant to Clause 5.3.1(b) is addressed completes and returns to the Security Trustee an acknowledgement in the form of Part B of the relevant notice.

5.3.4 To the extent that the Security Trustee is the same entity as the Account Bank, it acknowledges that this Deed constitutes notice to it of the charge over the Accounts under Clause 3.3 (*Fixed charge*) which are held with it.

5.4 **Restriction**

5.4.1 Each Chargor authorises the Security Trustee to make an application on Form RX1 (or such other form as may be prescribed from time to time) to enter the following restriction against the relevant registered estates:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered Charge, not being a Charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [] in favour of Deutsche Hypothekenbank (Actien-Gesellschaft) acting through its London Branch referred to in the Charges Register (or its conveyancer)."*

5.4.2 Each Chargor authorises the Security Trustee to apply to the Land Registry to enter the obligation to make further advances on the charges register of the relevant registered estates.

5.5 **Insurances**

Each Chargor shall ensure that the Facility Agent is at all times in possession of a copy of any Insurances together with documentary evidence confirming that insurance is in place in respect of the Property at all times.

5.6 **Negative Pledge**

No Chargor shall create or permit to subsist any Security over any of its assets other than the Security created by this Deed or as permitted by the Facility Agreement or as otherwise consented to in writing by the Security Agent.

6 **INVESTMENTS**

6.1 **Investment title documentation**

Upon execution of this Deed (or immediately upon the acquisition of the relevant Investment if that acquisition follows the date of this Deed) and notwithstanding any other term of the Finance Documents, each Chargor will deposit with the Security Trustee in respect of each Investment:

- (a) all certificates, warrants or other documents of title;
- (b) duly executed undated blank stock transfer forms; and

- (c) forms of waiver of any pre-emption rights and any other documents, consents and monies necessary to enable such transfers to be registered by the Security Trustee.

6.2 Voting prior to an Event of Default

Prior to the occurrence of an Event of Default which is continuing, a Chargor may continue to exercise all voting and other rights (including the right to collect dividends, interest, principal or other payments of money) relating to the Investments provided that such rights are not exercised in a way which (and that Chargor shall not permit anything which):

- (a) jeopardises the security constituted by the Finance Documents;
- (b) varies the rights attaching to the Investments; or
- (c) relates to a participation in a rights issue or to receiving dividends other than in cash or concerns a merger, consolidation, allotment of shares, change to constitutional documents, transfer of ownership (legal or beneficial), insolvency or matters which would otherwise be prohibited by the Finance Documents.

6.3 Voting after an Event of Default

6.3.1 Following the occurrence of an Event of Default which is continuing, the Security Trustee may (without notice to or consent from a Chargor and in that Chargor's name or otherwise) exercise any rights (including the right to collect dividends, interest, principal or other payments of money but excluding the right to vote) in respect of the Investments and may do anything necessary to complete any transfer form in favour of itself or otherwise.

6.3.2 Following the occurrence of an Event of Default which is continuing and the service of notice upon the relevant Chargor, the Security Trustee may (without consent from any Chargor and in the relevant Chargor's name or otherwise) exercise any right to vote in respect of the Investments.

6.4 Obligations

Each Chargor shall promptly pay all calls, costs and/or other payments in respect of the Investments and shall give to the Facility Agent and the Security Trustee, at the time of issue, copies of all information, offers, notices or other materials supplied to the members of the issuers of the Investments and shall advise the Facility Agent and the Security Trustee promptly of any material occurrence affecting the Investments or any other part of the security granted to the Security Trustee and shall give to the Facility Agent and the Security Trustee such information as they may reasonably require relating to the Investments.

7 RIGHTS OF ENFORCEMENT

7.1 Enforcement

7.1.1 The Secured Liabilities shall be deemed to have become due for the purposes of section 101 of the Act immediately upon the date of this Deed.

7.1.2 The enforcement powers of the Security Trustee in connection with this Deed shall be immediately exercisable:

- (a) upon an Event of Default which is continuing; or
- (b) at the Security Trustee's discretion, at the request of the Chargors.

7.1.3 The restrictions imposed by section 103 of the Act shall not apply to the security created by this Deed.

7.1.4 In addition to all other protection afforded by statute, every purchaser (as defined by section 205 of the Act) or other party dealing with the Security Trustee or any Receiver shall be entitled to assume without enquiry that an Event of Default has occurred and is continuing and that the Secured Liabilities are outstanding and have become due.

7.2 Security Trustee's and Receiver's powers and rights

7.2.1 The Security Trustee shall have the power:

- (a) to appoint a Receiver of the whole or any part of the Charged Assets and (so far as the law allows) to remove and/or substitute any such appointee;
- (b) to appropriate any Charged Assets in accordance with Clause 7.3 (*Right of appropriation*); and
- (c) to appoint an administrator of any Chargor, and paragraph 14 of schedule B1 of the Insolvency Act 1986 shall apply to this Deed.

7.2.2 The Security Trustee (without becoming a mortgagee in possession) and/or any Receiver (without personal liability) shall have the power to exercise:

- (a) all statutory and other powers and rights (including the powers conferred upon an administrative receiver by schedule 1 to the Insolvency Act 1986 whether or not the Security Trustee and/or any Receiver is an administrative receiver); and
- (b) the powers and rights specified in Schedule 3 (*Security Trustee's and Receiver's powers*),

and may exercise them in the name of the relevant Chargor and in such manner and on such terms as the person exercising them shall in its sole absolute discretion consider appropriate.

7.3 Right of appropriation

To the extent that any of the Charged Assets constitute "financial collateral" and this Deed and the obligations of any Chargor under it constitute a "financial collateral arrangement" (in each case as defined in, and for the purposes of, the Regulations), the Security Trustee shall have the right to appropriate all or any part of it in or towards discharge of the Secured Liabilities and transfer title in and to it to the Security Trustee. For this purpose, the Parties agree that the value of the financial collateral so appropriated shall be:

- (a) in the case of cash, the amount standing to the credit of each account, together with any accrued but unpaid interest, at the time the right of appropriation is exercised; and
- (b) in the case of Investments, the market price determined by the Security Trustee by reference to a public index or by such other process as the Security Trustee may select, including independent valuation.

In each case, the Parties agree that the method of valuation provided for in this Deed shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

7.4 Receiver as agent

So far as the law allows, a Receiver shall be the agent of a Chargor, who shall be solely liable for his acts, defaults and remuneration, but the Security Trustee shall be entitled to agree the fees and expenses of and the mode of payment to the Receiver.

7.5 Further powers

If a Chargor defaults in the observance and performance of any obligation to the Security Trustee, the Security Trustee or its agents (without any of them becoming a mortgagee in possession) may at any time while such default is continuing (but shall not be obliged to) do such things as it considers necessary to remedy the default.

7.6 Power of attorney

7.6.1 Each Chargor by way of security irrevocably appoints the Security Trustee and every Receiver jointly and severally to be its attorney (with full power of substitution) in its name and on its behalf to execute and deliver any documents and do or perfect anything which the Security Trustee and/or the Receiver shall consider appropriate for perfecting, maintaining, preserving, enhancing or enforcing the security created by this Deed and/or the value of any of the Charged Assets and/or for the purpose of enforcing the performance of that Chargor's obligations in connection with this Deed where the Chargor has failed to do so promptly and in any event within any applicable grace period following a request by the Security Trustee.

7.6.2 Each Chargor ratifies and confirms all things done and all documents executed by any attorney in the exercise of all or any of its powers in accordance with the Finance Documents.

8 APPLICATION OF RECEIPTS

Subject to sums secured by Security having priority to the Security created by this Deed, all monies received by the Security Trustee and/or any Receiver pursuant to or in the enforcement of this Deed shall be held by the Security Trustee and applied in accordance with the Facility Agreement.

9 NOTICES

9.1 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.

9.2 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 is that identified with its name below or any substitute address, fax number or department or officer as the Party may notify the Security Trustee (or the Security Trustee may notify the Chargors if the change is made by the Security Trustee) by not less than five Business Days' notice.

9.3 Delivery

9.3.1 Any communication or document made or delivered by one person to another person in connection with this Deed will only be effective:

- (a) if by way of fax, when received in legible form; or
- (b) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post, postage prepaid, in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address, details provided under Clause 9.2 (*Addresses*), if addressed to that department or officer.

9.3.2 Any communication or document to be made or delivered to the Security Trustee shall be effective only when actually received by the Security Trustee and then only if it is expressly marked for the attention of the department or officer identified with the Security Trustee's signature below (or any substitute department or officer as the Security Trustee shall specify for this purpose).

9.3.3 Any communication or document made or delivered to any Chargor in accordance with this Clause 9.3 (*Delivery*) will be deemed to have been made or delivered to each of the Chargors.

9.3.4 Any communication or document which becomes effective, in accordance with Clause 9.3.1 to Clause 9.3.3, after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day.

10 DISCHARGE

10.1 If the Security Trustee is satisfied that the Secured Liabilities have been unconditionally and irrevocably paid, repaid and discharged in full, the Security Trustee will, at the request and cost of the Chargors, discharge this Deed.

10.2 No discharge will be of any effect if any security or payment given or made in respect of the Secured Liabilities is rescinded, avoided, reduced or invalidated whether in respect of any insolvency or otherwise.

11 ASSIGNMENT AND TRANSFER

11.1 Assignment by the Chargors

No Chargor may assign, transfer or otherwise part with its rights or obligations under this Deed.

11.2 Assignment by the Secured Parties

The Secured Parties may each at any time transfer, assign or novate all or any part of their respective rights, benefits or obligations under this Deed in accordance with the provisions of the Facility Agreement.

12 GENERAL PROVISIONS

12.1 Trust provisions

The covenants, undertakings and representations made by each Chargor under this Deed are made in favour of the Security Trustee as security trustee for the Secured Parties.

12.2 Immediate recourse

It shall not be necessary for the Security Trustee before taking any enforcement under this Deed to enforce or seek to enforce any guarantee or other security or other rights whether from or against a Chargor or any other person.

12.3 Exercise of powers and liability

12.3.1 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 Trustee of any other security at any time held by the Security Trustee.

12.3.2 The Security Trustee may, at any time after this Deed has become enforceable, redeem or transfer to itself any prior Security against the Charged Assets and may settle and pass the accounts of the prior chargee (which shall be binding on each Chargor). All principal monies, interest, costs, charges and expenses of and incidental to such redemption or transfer shall be paid by the Chargors to the Security Trustee on demand.

12.3.3 None of the provisions of this Deed shall be deemed to impose on the Secured Parties or imply on their part any obligation or other liability in relation to the Charged Assets.

12.4 Tacking

Each Finance Party must perform its obligations under the Facility Agreement (including any obligation to make further advances).

12.5 New accounts

On receiving notice that the whole or any part of the Charged Assets has been encumbered by any Security or disposed of:

- (a) a Finance Party may close the relevant Chargor's then subsisting account and open a new account with that Chargor, and (unless the relevant Finance Party gives that Chargor written notice otherwise) shall be deemed to have done so;
- (b) all payments made to a Finance Party after that date will be credited (or be treated as having been credited) to the new account; and
- (c) no money credited or treated as credited to the new account shall reduce the Secured Liabilities.

12.6 Consolidation

The restriction on the right of consolidating mortgage securities contained in section 93 of the Act shall not apply to the security created by this Deed.

12.7 Expenses

The Chargors must pay the Security Trustee within five Business Days of demand the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of, or the preservation of any rights against it under this Deed.

12.8 Rights of third parties

12.8.1 Unless the right of enforcement is expressly granted, it is not intended that a third party should have the right to enforce a provision of this Deed pursuant to the Contracts (Rights of Third Parties) Act 1999.

12.8.2 The Parties and any Receiver may rescind, vary, waive, release, assign, novate or otherwise dispose of all or any of their respective rights or obligations under this Deed without the consent of a third party to whom an express right to enforce any of its terms has been provided.

12.9 Partial invalidity

The illegality, invalidity or unenforceability for whatever reason of any provision of this Deed in any jurisdiction, shall not affect the legality, validity or enforceability of that provision in any other jurisdiction or the legality, validity or enforceability of the remaining provisions in any jurisdiction.

12.10 Effect as a deed

This Deed shall take effect as a deed even if it is signed under hand on behalf of the Security Trustee.

12.11 Counterparts

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

12.12 Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of any Secured Party, 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. The rights and remedies provided in this Deed are cumulative and are not exclusive of any right or remedies provided by law.

12.13 Chargors' obligations

Neither the Security created under this Deed nor the obligations of Each Chargor under this Deed will be affected by any act, omission, matter or thing which, but for this Clause 12.13 (*Chargors' obligations*), would reduce, release or prejudice that security or any of its obligations under this Deed (without limitation and whether or not known to it or any Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (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 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 any Obligor or any other person;
- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and whether or not more onerous), or replacement, assignment, avoidance or termination of any Finance Document or any other document or Security including 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.

12.14 **Chargor intent**

Without prejudice to the generality of Clause 12.13 (*Chargors' obligations*), each Chargor expressly confirms that it intends that the Security created by this Deed shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following:

- (a) business acquisitions of any nature;
- (b) increasing working capital;
- (c) enabling investor distributions to be made;
- (d) carrying out restructurings;
- (e) refinancing existing facilities;
- (f) refinancing any other indebtedness;
- (g) making facilities available to new borrowers;
- (h) any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and/or
- (i) any fees, costs and/or expenses associated with any of the foregoing.

12.15 **Appropriations**

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

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Secured 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 Chargor shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any monies received from any Chargor or on account of any Chargor's liability under this Deed.

12.16 **Deferral of Chargors' rights**

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

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

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

12.16.2 If any Chargor receives any benefit, payment or distribution in relation to any rights referred to in Clause 12.16.1 it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to Secured Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Secured Parties and shall promptly pay or transfer the same to the Security Trustee or as the Security Trustee may direct for application in accordance with Clause 8 (*Application of receipts*).

13 LAW AND JURISDICTION

Governing law

This Deed and any non-contractual obligations arising out of or in relation to this Deed, shall be governed by English law.

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

Schedule 1
Chargors

Chargors		Jurisdiction of incorporation		Registered number
Folkestone (Number 1) Limited	High Holborn	England and Wales		04564949
Folkestone (Number 2) Limited	High Holborn	England and Wales		04564919

Schedule 2
The Properties and the Accounts

Part 1
The Properties

Owner	Description of Property
Folkestone High Holborn (Number 1) Limited and Folkestone High Holborn (Number 2) Limited	67-70 Chancery Lane, London with title number NGL871864
Folkestone High Holborn (Number 1) Limited and Folkestone High Holborn (Number 2) Limited	313-318 High Holborn, 67 to 73 Chancery Lane and 2 Southampton Buildings, London with title number NGL787231

Part 2
The Accounts

Chargor	Account name	Account number	Sort code/BIC
Borrowers	Folkestone High Holborn (Number 1) Limited and Folkestone High Holborn (Number 2) Limited Rent Account		
Borrowers	Folkestone High Holborn (Number 1) Limited and Folkestone High Holborn (Number 2) Limited Deposit Account		
Borrowers	Folkestone High Holborn (Number 1) Limited and Folkestone High Holborn (Number 2) Limited CAPEX Account		
Borrowers	Folkestone High Holborn (Number 1) Limited and Folkestone High Holborn (Number 2) Limited General Account		

Schedule 3
Security Trustee's and Receiver's powers

1 Conduct of business

(a) Carry on business

To carry on, manage, develop, reconstruct, amalgamate, diversify and/or conduct the business of a Chargor in all respects and for such purpose to:

- (i) enter upon and take possession, get in, collect or otherwise assume control in respect of all or any of the Charged Assets; and/or
- (ii) acquire any property, chattels, plant, machinery and materials.

(b) Formation of companies

To promote the formation of companies with a view to the same purchasing, leasing, licensing or otherwise acquiring any of the Charged Assets and to arrange for such companies to trade or cease to trade in all cases.

(c) Compromise claims

To compromise any claim relating to the Charged Assets.

(d) Borrowing and advancing

To borrow, raise or advance money whether or not in priority to the Secured Liabilities and with or without security.

(e) VAT

To assume and exercise all or any of the power and rights conferred on a Chargor in respect of its VAT status, liabilities, advantages or arrangements.

(f) Employees

To:

- (i) enter into, adopt and/or terminate any contract of employment; and
- (ii) employ solicitors, architects, surveyors, quantity surveyors, estate agents, contractors, builders, workmen, stockbrokers and others.

2 Dealing with a Chargor's assets

(a) Possession

To enter upon and take possession of, get in, use and/or collect any Charged Asset.

(b) Payments

To pay any rent or other outgoings and payments charged on or otherwise relating to the Charged Assets or their ownership, occupation or use.

(c) Receipts

To give receipts and releases for any sums received.

(d) Carry on works

To undertake any works, demolition, building, reconstruction, improvement, repair or decoration in respect of any of the Charged Assets which consist of property, buildings, structures, plant, machinery or equipment as it thinks fit and whether or not in accordance with any obligations imposed by the Facility Agreement.

(e) Assumption of rights

To assume, exercise, cancel and/or vary all or any of the powers and rights conferred on a Chargor under any Charged Asset.

(f) Insurance

To effect insurances on such terms as it thinks fit.

(g) Planning permissions and consents

To obtain all necessary planning permissions, building regulation approvals and other permissions, consents or licences in relation to any development or use of the Charged Assets.

(h) Acquisition of property

To acquire any adjoining property and/or easements, interests or estates in property and to grant easements and rights.

(i) Negotiation

To negotiate and conclude reviews of rent and otherwise deal in relation to the Occupational Leases and the tenants' and guarantors' respective obligations under them.

3 Disposals

(a) Selling

To sell or otherwise realise and deal with, and transfer title to, the Charged Assets, in return for such consideration as it thinks fit and whether or not:

- (i) for immediate or deferred consideration;
- (ii) in return for a single payment or instalments; and
- (iii) for consideration wholly or partly in cash, property or securities in whatever form,

and in all cases the terms of which shall bind any subsequent mortgagee.

(b) Leasing

To grant, create or surrender any lease, tenancy, licence or other agreement relating to the disposal of or other dealing with the Charged Assets on such terms as it thinks fit and:

- (i) with or without any rent, review of rent, fine or premium; and
- (ii) whether absolutely or for a term,

and in all cases the terms of which shall bind any subsequent mortgagee.

4 **General**

(a) General powers

To do or abstain from doing all such things as it considers necessary or desirable for perfecting, maintaining, preserving or enhancing the value of any of the Charged Assets or for or in connection with the enforcement of the Security created by this Deed or the realisation of any of the Charged Assets, whether or not in accordance with the Facility Agreement, including:

- (i) executing, delivering and completing all or any deeds or other documents;
- (ii) using the name of a Chargor in connection with any of the purposes in this Schedule 3 (*Security Trustee's and Receiver's powers*);
- (iii) commencing, carrying out and completing any acts, matters, proceedings in relation to any Charged Asset as if it were the sole and absolute beneficial owner of the Charged Assets; and
- (iv) obtaining, entering into and maintaining any bonds, covenants, commitments, engagements, guarantees and indemnities or other like arrangements.

(b) General

All its powers and discretions under this Deed shall be:

- (i) exercisable on such terms and conditions and otherwise as it may think fit; and
- (ii) as if it were the absolute and beneficial owner.

Schedule 4
Notices

Part 1
Notice of assignment or charge of contract

Part A

From: [Details of Chargor] (the "Chargor")

To: [Details of party to Contract]

Date: [•]

Dear Sirs

[Description of Relevant Document] (the "Contract")

We refer to:

- (a) the Contract; and
- (b) a [debenture] (the "Security Deed") dated [•] made between the Security Trustee (1) and the Chargor (2).

We give you notice that pursuant to the Security Deed, we have [charged/assigned]¹ all of our present and future right, title, interest and benefit in, under and to the Contract (including all [monies] [rent] payable to us under the Contract) to the Security Trustee.

We irrevocably and unconditionally instruct and authorise you:

- (a) to make all payments in connection with the Contract as the Security Trustee may direct;
- (b) that all our rights in connection with the Contract are exercisable by (or with the consent of) the Security Trustee. Until you are notified otherwise by the Security Trustee, the Security Trustee directs that all such rights powers, discretions and remedies shall continue to be exercisable by us; and
- (c) to disclose any information relating to the Contract which the Security Trustee may from time to time request.

No amendment, waiver or release of any right or obligation in connection with the Contract and no termination or rescission of the Contract by us shall be effective without the prior written consent of the Security Trustee and in any event no such termination or rescission shall be effective unless you have given notice to the Security Trustee.

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

¹ Delete as appropriate.

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

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

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

Signed
For and on behalf of the Chargor

Part B - Receipt of notice of assignment or charge of Contract

From: [Details of party to Contract]

To: [Security Trustee]
[Address]

For the attention of [•]

Date: [•]

We acknowledge receipt of the notice in the above terms. We confirm our acceptance of the instructions and authorisations contained in the notice and further confirm that:

- (a) we have not received notice of any previous assignments or charges of or over the Contract; and
- (b) we agree and will comply with the matters set out in that notice.

Signed

For and on behalf of [•]

Part 2
Notice of assignment or charge of account

Part A

From: [Details of Chargor] [(the "Chargor")]

To: [Details of provider of the relevant Account]

Date: [•]

Dear Sirs

[Description of relevant Account] (the "Account")

We refer to the:

- (a) the Account (which expression shall include all monies standing to the credit of such account now or in the future); and
- (b) a debenture (the "**Security Deed**") dated [•] made between [•] the Security Trustee (1) and the Chargor (2).

We give you notice that pursuant to the Security Deed, all of our present and future right, title, interest and benefit in, under and to the Account were charged to the Security Trustee.

We irrevocably and unconditionally instruct and authorise you:

- (a) ²not to release any monies from the Account without the prior written consent of the Security Trustee;
- (b) ³that all our rights in connection with the Account are exercisable by (or with the consent of) the Security Trustee; and
- (c) to disclose any information relating to the Account which the Security Trustee may from time to time request.

By countersigning this letter you confirm that:

- (a) you do not have, and will not make or exercise, any claims or demands, any rights of counterclaim, rights of deduction, set-off or any other equities against us or the Security Trustee in respect of the Account; and
- (b) no amendment, waiver or release of any right or obligation in connection with the Account and no termination or rescission of the Account by us shall be effective without the prior written consent of the Security Trustee and in any event no such termination or rescission shall be effective unless you have given notice to the Security Trustee.

² Insert "following notification by the Security Trustee" in respect of floating charge accounts.

³ Insert "following notification by the Security Trustee" in respect of floating charge accounts.

Notwithstanding anything in this notice or otherwise we (and not the Security Trustee nor its appointees) shall be liable to perform all the obligations assumed by us in respect of the Account.

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

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

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

Signed
For and on behalf of the Chargor

Part B - Receipt of notice of assignment or charge of account

From: [Details of provider of the relevant Account]

To: [Security Trustee]
[Address]

For the attention of [●]

Date: [●]

[Description of relevant Account]

We acknowledge receipt of the notice in the above terms. We confirm our acceptance of the instructions and authorisations contained in the notice and confirm that:

- (a) we have not received notice of any previous assignments or charges of or over the Account; and
- (b) we agree and will comply with the matters set out in that notice.

Signed
For and on behalf of [●]

EXECUTION PAGE

Chargors

Executed as a deed by **FOLKESTONE
HIGH HOLBORN (NUMBER 1) LIMITED**
acting by:

)
)
)
Director

)
)
)
Director/Secretary

Address:

The Longford Estate Office, Longford Castle,
Salisbury, Wiltshire, SP5 4ED

Attn:

The Directors

Executed as a deed by **FOLKESTONE
HIGH HOLBORN (NUMBER 2) LIMITED**
acting by:

)
)
)
Director

)
)
)
Director/Secretary

Address:

The Longford Estate Office, Longford Castle,
Salisbury, Wiltshire, SP5 4ED

Attn:

The Directors

The Security Trustee

**DEUTSCHE HYPOTHEKENBANK
(ACTIEN-GESELLSCHAFT)** acting
through its London Branch

)

By:

Address:

Deutsche Hypo
One Wood Street
London EC2V 7WT

Fax:

020 7429 4701

Attention:

Philip Shackleton / Walter W Love

EXECUTION PAGE

Chargors

Executed as a deed by **FOLKESTONE
HIGH HOLBORN (NUMBER 1) LIMITED**
acting by:)
)
)
Director

)
)
)
Director/Secretary

Address: The Longford Estate Office, Longford Castle,
Salisbury, Wiltshire, SP5 4ED

Attn: The Directors

Executed as a deed by **FOLKESTONE
HIGH HOLBORN (NUMBER 2) LIMITED**
acting by:)
)
)
Director

)
)
)
Director/Secretary

Address: The Longford Estate Office, Longford Castle,
Salisbury, Wiltshire, SP5 4ED

Attn: The Directors

The Security Trustee

**DEUTSCHE HYPOTHEKENBANK
(ACTIEN-GESELLSCHAFT) acting
through its London Branch**

By:

Address:

Deutsche Hypo
One Wood Street
London EC2V 7WT

Fax:

020 7429 4701

Attention:

Philip Shackleton / Walter W Love