



Registration of a Charge

Company Name: **FIRST ALLIANCE PROPERTIES (INVESTMENT) LIMITED**

Company Number: **04936050**



Received for filing in Electronic Format on the: **25/01/2022**

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Details of Charge

Date of creation: **20/01/2022**

Charge code: **0493 6050 0009**

Persons entitled: **NATIONAL WESTMINSTER BANK PLC (AS SECURITY AGENT)**

Brief description:

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **SQUIRE PATTON BOGGS (UK) LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 4936050

Charge code: 0493 6050 0009

The Registrar of Companies for England and Wales hereby certifies that a charge dated 20th January 2022 and created by FIRST ALLIANCE PROPERTIES (INVESTMENT) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 25th January 2022 .

Given at Companies House, Cardiff on 26th January 2022

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 20 January 2022

THE PERSONS LISTED IN SCHEDULE 1 (1)
as the Chargors

**FIRST ALLIANCE PROPERTIES (FAREHAM
REACH NO.3) LLP** (2)
as Borrower

and

NATIONAL WESTMINSTER BANK PLC (3)
as Security Agent

**SUBORDINATED CREDITORS SECURITY –
CHARGE OVER SUBORDINATED DEBT**

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DATE OF DEED

20 January **2022**

PARTIES

- (1) **THE PERSONS LISTED IN SCHEDULE 1** as chargors (each a **"Chargor"** and together the **"Chargors"**);
- (2) **FIRST ALLIANCE PROPERTIES (FAREHAM REACH NO.3) LLP** registered in England and Wales under company number OC320130 whose registered office is at Oceana House, 39-49 Commercial Road, Southampton, Hampshire, England, SO15 1GA (the **"Borrower"**); and
- (3) **NATIONAL WESTMINSTER BANK PLC** as security trustee for the Secured Parties (the **"Security Agent"**).

IT IS AGREED THAT:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this deed:

"Facility Agreement" means the facility agreement originally dated 16 December 2019 as amended from time to time and as further amended and restated on or around the date of this deed and made between (among others) the Borrower and the Security Agent (in various capacities).

"Party" means a party to this deed.

"Receiver" means any receiver appointed over any Secured Assets or any Chargor whether under this deed or by order of the court on application by the Security Agent and includes a receiver and manager.

"Relevant Jurisdiction" means, in relation to any Chargor:

- (a) its jurisdiction of incorporation;
- (b) any jurisdiction where any asset subject to or intended to be subject to the Transaction Security to be created by it is situated;
- (c) any jurisdiction where it conducts its business; and
- (d) the jurisdiction whose laws govern the perfection of any of the Security Documents entered into by it.

"Secured Assets" means all of the assets the subject of any Security created by or under this deed in favour of the Security Agent.

"Secured Liabilities" means all present and future obligations and liabilities (whether actual or contingent, whether owed jointly or severally, whether as principal or surety or in any other capacity whatsoever) of each Transaction Obligor to any Secured Party under each Finance Document.

"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 and all facilities made available by the Secured Parties (or any of them) under the Finance Documents (or any of them) have been cancelled.

"Subordinated Loans" means the aggregate of all and any loans made available or to be made available by any Chargor to the Borrower from time to time (and whether pursuant to any Subordinated Loan Agreement or otherwise).

"Subordinated Loan Agreements" means each loan agreement entered or to be entered into from time to time between the Borrower and a Chargor.

"Subordinated Loan Related Rights" means, in relation to any Subordinated Loan Agreement and/or any Subordinated Loan:

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

1.2 Interpretation

Unless otherwise defined in this deed, a term defined in the Facility Agreement has the same meaning when used in this deed or any notices, acknowledgements or other:

- (a) documents issued under or in connection with this deed.
- (b) In this deed, the term:
 - (i) **"dispose"** includes any sale, lease, licence, transfer or loan; and
 - (ii) **"assets"** includes present and future properties, revenues and rights of every description (including any right to receive such revenues).
- (c) Clause 1.2 (*Construction*) of the Facility Agreement is incorporated in this deed as if set out here in full but so that each reference in that clause to this Agreement shall be read as a reference to this deed.

1.3 Third Party Rights

- (a) Unless expressly provided to the contrary in any Finance Document a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this deed or any other Finance Document issued or entered into under or in connection with it but this does not affect any right or remedy of a third party which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.

- (b) Unless expressly provided to the contrary in any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this deed or any other Finance Document entered into under or in connection with it.

2 COVENANT TO PAY

2.1 Covenant

Subject to the provisions of clause 2.2, each Chargor covenants with the Security Agent as security agent for the Secured Parties, to pay and discharge the Secured Liabilities when they become due for payment and discharge in accordance with the terms of the Finance Documents.

2.2 Limited Recourse

Notwithstanding the terms of any other provision of this deed:

- (a) the Security Agent shall have no recourse against any Chargor or its assets, whether by way of court proceedings, a winding up application or otherwise, in respect of its obligations and liabilities under this deed except by enforcement of its security over the Secured Assets (assigned by that Chargor); and
- (b) the liability of each Chargor under this deed shall:
 - (i) extend only to and shall not exceed the proceeds of any such enforcement; and
 - (ii) be satisfied only from the proceeds of any such enforcement.

3 CHARGING PROVISIONS

3.1 General

All Security created by a Chargor under clauses 3.2 below is:

- (a) a continuing security for the payment and discharge of the Secured Liabilities;
- (b) granted with full title guarantee;
- (c) granted in respect of all the right, title and interest (if any), present and future, of each Chargor in and to the relevant Secured Assets; and
- (d) granted in favour of the Security Agent as security agent for the Secured Parties.

3.2 Fixed charges

- (a) Each Chargor charges by fixed charge all its rights, benefits, title, claim and interest in and to each Subordinated Loan Agreement, each Subordinated Loan and all Subordinated Loan Related Rights (as applicable).

- (b) Each Chargor shall remain liable to perform all its obligations under each applicable Subordinated Loan Agreement and in respect of each applicable Subordinated Loan.

4 GENERAL SECURITY PROVISIONS

4.1 Continuing security

The Security constituted by this deed shall be continuing security and shall remain in full force and effect regardless of any intermediate payment or discharge by any Chargor or any other person of the whole or any part of the Secured Liabilities.

4.2 Additional security

This deed is in addition to and is not in any way prejudiced by any other guarantee or Security now or subsequently held by any Secured Party.

4.3 Settlements conditional

- (a) If the Security Agent (acting reasonably) believes that any amount paid by any person in respect of the Secured Liabilities is capable of being avoided or set aside for any reason, then for the purposes of this deed, such amount shall not be considered to have been paid.
- (b) Any settlement, discharge or release between any Chargor and any Secured Party shall be conditional upon no Security or payment to or for that Secured Party by that Chargor or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any law relating to bankruptcy, insolvency or liquidation or otherwise.

4.4 Waiver of defences

The liability of each Chargor under this deed will not be affected by an act, omission, matter or thing which, but for this clause 4.4, would reduce, release or prejudice any of its liability 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 Transaction Obligor or other person;
- (b) the release of any Transaction Obligor or any other person under the terms of any composition or arrangement with any creditor of any Transaction Obligor;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of, any Transaction Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Transaction Obligor or any other person;

- (e) any amendment (however fundamental) or replacement of a Finance Document or any 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.

4.5 **Chargors intent**

Without prejudice to the generality of clause 4.4, each Chargor expressly confirms that it intends that this Security 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) 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
- (i) any fees, costs and/or expenses associated with any of the foregoing.

4.6 **Immediate recourse**

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

4.7 **Appropriations**

Until all amounts which may be or become payable by the Transaction Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Secured Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other monies, 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 not 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 that Chargor's liability under this deed.

4.8 Deferral of Chargors' rights

Until all amounts which may be or become payable by the Transaction Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Security Agent 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:

- (a) to be indemnified by any Transaction Obligor;
- (b) to claim any contribution from any guarantor of, or person providing Security for, any Transaction Obligor's obligations under the Finance Documents; and/or
- (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.

5 NOTICES OF ASSIGNMENT AND BORROWER CONFIRMATIONS

- 5.1 Pursuant to this clause 5, each Chargor notifies the Borrower that, pursuant to this deed, that Chargor has assigned all of its benefits rights, titles, claims and interests in and to each Subordinated Loan Agreement, each Subordinated Loan and all Subordinated Loan Related Rights.

- 5.2 The Borrower enters into this deed to:

- (a) acknowledge to the Security Agent and each Chargor that it has notice of the assignments referred to in clause 5.1;
- (b) confirm to the Security Agent that the Borrower has not claimed or exercised, has no outstanding right to claim or exercise and will not exercise any right of set off, counter claim or other right relating to any payment to be made by the Borrower in respect of any Subordinated Loan Agreement, any Subordinated Loan and/or any Subordinated Loan Related Right; and
- (c) acknowledge that the Security Agent shall not be under any obligation in relation to any Subordinated Loan Agreement and/or any Subordinated Loan as a consequence of this Deed and each Chargor shall at all times remain liable to perform all obligations expressed to be assumed by it in respect of each Subordinated Loan Agreement and/or each Subordinated Loan.

6 NEGATIVE PLEDGE

- 6.1 No Chargor shall create nor permit to subsist any Security, other than Security arising under this deed, over any of the Secured Assets.

- 6.2 Clause 6.1 does not apply to any Security or arrangement which is expressly permitted under the Finance Documents.
- 6.3 Each Chargor shall not sell, transfer or otherwise dispose of any of the Secured Assets on terms whereby they are or may be re-acquired by any Chargor or any Transaction Obligor or any other Subsidiary of any Chargor in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

7 RESTRICTIONS ON DISPOSALS

Except as expressly allowed under the Facility Agreement or this deed, no Chargor shall enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer, assign, lend, factor, pledge, charge, exchange or otherwise dispose of any of the Secured Assets nor permit any other person to do any such thing.

8 FURTHER ASSURANCE

- 8.1 Each Chargor shall promptly do all such acts and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent or any Receiver may specify (and in such form as the Security Agent or any Receiver may reasonably require) in favour of the Security Agent or its nominee(s)):
- (a) to create, perfect, protect and maintain the Security created or intended to be created under or evidenced by this deed or for the exercise of any rights, powers and remedies of the Security Agent or the Secured Parties provided by or pursuant to this deed or by law; and/or
 - (b) (if an Event of Default is continuing) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security created by or under this deed.
- 8.2 Each Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Secured Parties by or pursuant to this deed.
- 8.3 Any document required to be executed by any Chargor under this clause 8 will be prepared at the cost of that Chargor.

9 REPRESENTATIONS

Each Chargor makes the representations set out in this clause 9 to the Security Agent for the benefit of each Secured Party.

9.1 Status

- (a) It is a limited liability corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.

- (b) It has the power to own its assets and carry on its business as it is being conducted.

9.2 **Binding obligations**

- (a) The obligations expressed to be assumed by it in this deed are, subject to the Legal Reservations, legal, valid, binding and enforceable obligations.
- (b) Without limiting the generality of clause 9.2(a), this deed creates the Security which this deed purports to create and the Security is valid and effective.

9.3 **Non-conflict with other obligations**

The entry into and performance by it of, and the transactions contemplated by, this deed and the granting of the Security contemplated by this deed do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its constitutional documents (or equivalent); or
- (c) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument.

9.4 **Power and authority**

- (a) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this deed and the transactions contemplated by this deed.
- (b) No limit on its powers will be exceeded as a result of the grant of the Security contemplated by this deed.

9.5 **Validity and admissibility in evidence**

All Authorisations required or desirable:

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in this deed; and
 - (b) to make this deed admissible in evidence in its Relevant Jurisdictions,
- have been obtained or effected and are in full force and effect.

9.6 **Acting as principal**

It is acting in all matters relating to this deed as principal for its own account and not as agent or trustee or in any other capacity whatsoever on behalf of any third party.

9.7 Governing law and enforcement

- (a) The choice of English law as the governing law of this deed will be recognised and enforced in its Relevant Jurisdictions.
- (b) Any judgment obtained in England in relation to this deed will be recognised and enforced in its Relevant Jurisdictions.

9.8 No filing or stamp taxes

It is not necessary under the laws of its Relevant Jurisdictions that this deed be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to this deed or the transactions contemplated by this deed except registration of a statement of particulars and a certified copy of this deed at Companies House under the Companies Act 2006 and payment of associated fees, which registrations and filings will be made and paid promptly after the date of this deed and in any event, within the statutory time limit.

9.9 Good title to assets

It has a good, valid and marketable title to the Secured Assets, in each case, free from Security (other than that created by or pursuant to this deed).

9.10 Legal and beneficial ownership

- (a) It is the sole legal and beneficial owner of the assets over which it purports to grant Security.
- (b) Each Secured Asset is legally and beneficially owned by that Chargor free from any claims, third party rights or competing interests other than Security created under the Security Documents.
- (c) No breach of any law or regulation is outstanding which adversely affects or might adversely affect the value of any Secured Asset.

9.11 Subordinated Loans

Each Subordinated Loan Agreement (if any) is in full force and effect in accordance with its terms and is enforceable (subject to the Finance Documents) by the relevant Chargor against the Borrower. There are no restrictions on the ability of that Chargor to assign or charge any Subordinated Loan.

9.12 No adverse consequences

- (a) It is not necessary under the laws of its Relevant Jurisdictions:
 - (i) in order to enable the Security Agent to enforce its rights under this deed; or
 - (ii) by reason of the execution of any Finance Document or the performance by it of its obligations under this deed,

that the any Secured Party should be licensed, qualified or otherwise entitled to carry on business in any Relevant Jurisdiction of any Chargor.

- (b) No Secured Party is or will be deemed to be resident, domiciled or carrying on business in any Relevant Jurisdiction of any Chargor by reason only of the execution, performance and/or enforcement of this deed.

9.13 Repetition

The representations and warranties in this clause 9 are deemed to be made by the Chargers by reference to the facts and circumstances then existing on:

- (a) the date of this deed;
- (b) the date of each Utilisation Request;
- (c) each Utilisation Date; and
- (d) the first day of each Interest Period.

10 UNDERTAKINGS

10.1 Duration

Each Chargor undertakes to the Security Agent for the benefit of the Secured Parties in accordance with this clause 10. The undertakings in this clause 10 shall remain in force during the Security Period.

10.2 Authorisations

It shall promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) supply certified copies to the Security Agent of,

any Authorisation required under any law or regulation of a Relevant Jurisdiction to enable it to perform its obligations under this deed and to ensure the legality, validity, enforceability or admissibility in evidence of this deed.

10.3 Subordinated Loans

No Chargor shall take, or omit to take, any action which might result in:

- (a) the alienation or impairment of any rights in any Subordinated Loan; or
- (b) any right to terminate a Subordinated Loan Agreement becoming exercisable by any party to that agreement.

10.4 Information

Each Chargor shall provide to the Security Agent such documents or information relating to the Secured Assets as the Security Agent (acting reasonably) may from time to time request and shall promptly deliver to the Security Agent a copy of any notice or proceedings served by any person on that Chargor concerning any Secured Asset or alleging any breach of its obligations relating to any Secured Asset.

10.5 Retention of documents

The Security Agent may retain any document delivered to it pursuant to this deed or otherwise until the Security created by this deed is released and if for any reason it ceases to hold any such document before such time, it may by notice to the relevant Chargor require that the relevant document be redelivered to it and the relevant Chargor shall immediately comply (or procure compliance) with such notice.

10.6 General

No Chargor shall do or cause or permit to be done anything which may in any way materially depreciate, jeopardise or otherwise prejudice the value to the Secured Parties of the Security created by or under this deed.

11 SECURITY POWER OF ATTORNEY

Each Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any of their delegates or sub-delegates to be its attorney to take any action which that Chargor is obliged to take under this deed and that it has failed to do (including within any applicable grace period). Each Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause 11.

12 ENFORCEMENT OF SECURITY

12.1 When security is enforceable

On the occurrence of any Event of Default which is continuing, the Security created by and under this deed is immediately enforceable.

12.2 Acts of enforcement

The Security Agent may, in its absolute discretion, at any time when the Security created by or under this deed is enforceable:

- (a) enforce all or any part of the Security created by or under this deed in any manner it sees fit;
- (b) exercise its rights and powers conferred upon mortgagees by the Law of Property Act 1925, as varied and extended by this deed and rights or powers conferred on a Receiver by this deed whether or not it has taken possession of, or appointed a Receiver to any of, the Secured Assets;
- (c) appoint one or more persons to be a Receiver to all or any part of the Secured Assets;

- (d) exercise its power of sale under section 101 of the Law of Property Act 1925 (as amended by this deed);
- (e) sell all or any of the Secured Assets in any manner permitted by law and on such terms as the Security Agent shall in its absolute discretion determine; and/or
- (f) apply all dividends and other monies received in respect of the Secured Assets as though they were proceeds of sale.

12.3 Right of Appropriation - Syndicated

To the extent that the Security created by this deed constitutes a "security financial collateral arrangement" and the Secured Assets constitute "financial collateral" for the purpose of the Financial Collateral Arrangements (No 2) Regulations 2003 ("**Regulations**"), the Security Agent shall have the right on giving prior notice to the Chargors, at any time after the Security becomes enforceable, to appropriate all or any part of those Secured Assets in or towards discharge of the Secured Liabilities. The parties agree that the value of the appropriated Secured Assets shall be determined by the Security Agent by reference to any available publicly available market price in the absence of which by such other means as the Security Agent (acting reasonably) may select including, without limitation, an independent valuation. For the purpose of Regulation 18(1) of the Regulations, each Chargor agrees that any such determination by the Security Agent will constitute a valuation "in a commercially reasonable manner".

12.4 Statutory Powers - 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 Law of Property Act 1925 and section 93 of the Law of Property Act 1925 do not apply to the Security constituted by or under this deed.
- (c) Each Receiver and the Security Agent is entitled to all the rights, powers, privileges and immunities conferred by the Law of Property Act 1925 and the Insolvency Act 1986 on mortgagees and receivers.

12.5 Contingencies

If the Security Agent enforces the Security constituted by or under this deed at a time when no amounts are due to the Secured Parties under the Finance Documents but at a time when amounts may or will become so due, the Security Agent (or the Receiver) may pay the proceeds of any recoveries effected by it into an interest bearing suspense account.

12.6 Mortgagee in possession - no liability

Neither the Security Agent nor any Receiver shall be liable 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 otherwise be liable.

12.7 Redemption of prior mortgages

At any time after the Security created by or under this deed has become enforceable, the Security Agent may, at the sole cost of the Chargors (payable to the Security Agent on demand):

- (a) redeem any prior form of Security over any Secured Asset; and/or
- (b) procure the transfer of that Security to itself; and/or
- (c) settle and pass the accounts of any prior mortgagee, chargee or encumbrancer which once so settled and passed shall be conclusive and binding on the Chargors.

13 RECEIVER

13.1 Appointment of Receiver

- (a)
 - (i) At any time after any Security created by or under this deed is enforceable, the Security Agent may appoint a Receiver to all or any part of the Secured Assets in accordance with clause 12.2(c) (*Acts of enforcement*).
 - (ii) At any time if so requested in writing by the Chargors, without further notice, the Security Agent may appoint one or more persons to be a Receiver of all or any part of the Secured Assets as if the Security Agent had become entitled under the Law of Property Act 1925 to exercise the power of sale conferred under the Law of Property Act 1925.
- (b) Any Receiver appointed under this deed shall be the agent of the Chargors and the Chargors shall be solely responsible for his acts or defaults and for his remuneration and liable on any contracts or engagements made or entered into by him and in no circumstances whatsoever shall the Security Agent be in any way responsible for any misconduct, negligence or default of the Receiver.
- (c) Where the Chargors are an eligible company within the meaning of paragraphs 2 to 4 (inclusive) of Schedule A1 of the Insolvency Act 1986 (a) obtaining a moratorium, or (b) anything done with a view to obtaining a moratorium including any preliminary decision or investigation in terms of paragraph 43 of Schedule A1 of the Insolvency Act 1986 shall not be grounds for appointment of a Receiver.

13.2 Removal

The Security Agent may by written notice remove from time to time any Receiver appointed by it and, whenever it may deem appropriate, appoint a new Receiver in the place of any Receiver whose appointment has terminated.

13.3 Powers of Receiver

(a) **General**

- (i) In addition to those conferred by the Law of Property Act 1925 on any Receiver appointed under that Act, each Receiver has, and is entitled to exercise, all of the rights, powers and discretions set out in this clause 13.3.
- (ii) If there is more than one Receiver holding office at the same time, unless the document appointing him states otherwise, each Receiver may exercise all of the powers conferred on a Receiver under this deed or under the Insolvency Act 1986 individually and to the exclusion of any other Receivers.
- (iii) A Receiver may, (in the name of a Chargor):
 - (A) do all other acts and things which he may consider expedient for realising any Secured Asset; and
 - (B) exercise in relation to any Secured Asset all the powers, authorities and things which he would be capable of exercising if he were its absolute beneficial owner.

(b) **Borrow monies**

A Receiver may raise and borrow money (either unsecured or on the security of any Secured Asset, either in priority to the security constituted by this deed or otherwise) on any terms and for whatever purpose which he thinks fit. No person lending that money need enquire as to the propriety or purpose of the exercise of that power or to check the application of any monies so raised or borrowed.

(c) **Compromise**

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of a Chargor relating in any way to any Secured Asset.

(d) **Delegation**

A Receiver may delegate his powers in accordance with clause 14 (Delegation).

(e) **Employees**

For the purposes of this deed, a Receiver as he thinks appropriate, on behalf of any Chargor or for itself as Receiver, may:

- (i) appoint and discharge managers, officers, agents, accountants, servants, workmen and others upon such terms as to remuneration or otherwise as he may think proper; and

(ii) discharge any such persons appointed by any Chargor.

(f) **Legal actions**

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings or submit to arbitration or any form of alternative dispute resolution in the name of any Chargor in relation to any Secured Asset as he considers expedient.

(g) **Possession**

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

(h) **Receipts**

A Receiver may give valid receipts for all monies and execute all assurances and things which may be expedient for realising any Secured Asset.

(i) **Sale of assets**

A Receiver may sell, exchange, convert into monies and realise any Secured Asset by public auction or private contract in any manner and on any terms which he thinks proper. The consideration for any such transaction may consist of cash, debenture or other obligations, shares, stock or other valuable consideration and any such consideration and any such consideration may be payable in a lump sum or by instalments spread over such period as he thinks fit.

(j) **Deal with Secured Assets**

A Receiver may, without restriction vary the terms of or otherwise dispose of or deal with, all or any part of the Secured Assets without being responsible for loss or damage, and so that any such disposition may be made for cash payable by instalments, loan stock or other debt obligations or for shares or securities of another company or other valuable consideration, and the Receiver may form and promote, or concur in forming and promoting, a company or companies to purchase or otherwise acquire interests in all or any of the Secured Assets or otherwise, arrange for such companies to trade or cease to trade and to purchase or otherwise acquire all or any of the Secured Assets on such terms and conditions whether or not including payment by instalments secured or unsecured as he may think fit.

(k) **Security**

A Receiver may redeem any prior Security and settle and pass the accounts of the person entitled to the prior Security so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on a Chargor and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

(l) **Incidental Matters**

A Receiver may do all other acts and things including without limitation, signing and executing all documents and deeds as may be considered by the Receiver to be incidental or conducive to any of the matters or powers listed here or granted by law or otherwise incidental or conducive to the preservation, improvement or realisation of the Secured Assets and to use the name of any Chargor for all the purposes set out in this clause 13.

13.4 Remuneration

The Security Agent may from time to time fix the remuneration of any Receiver appointed by it.

14 DELEGATION

14.1 The Security Agent and any Receiver may delegate by power of attorney or in any other manner all or any of the powers, authorities and discretions which are for the time being exercisable by the Security Agent and the Receiver (as appropriate) under this deed to any person or persons as it shall think fit. Any such delegation may be made upon such terms and conditions (including the power to sub-delegate) as the Security Agent and Receiver (as appropriate) may think fit.

14.2 The Security Agent and any Receiver will not be liable or responsible to the Chargors or any other person for any losses, liabilities or expenses arising from any act, default, omission or misconduct on the part of any delegate.

15 APPLICATION OF MONIES

15.1 Sections 109(6) and (8) (Appointment, powers, remuneration and duties of receiver) of the Law of Property Act 1925 shall not apply to a Receiver appointed under this deed.

15.2 All monies received by the Security Agent or any Receiver under this deed shall be applied in the following order:

- (a) in discharging any sums owing to the Security Agent, any Receiver or any Delegate;
- (b) in payment of all costs and expenses incurred by the Agent or any Secured Party in connection with any realisation or enforcement of the Transaction Security taken in accordance with the terms of the Facility Agreement and any other Finance Document;
- (c) in payment to the Agent for application in accordance with clause 31.5 (*Partial payments*) of the Facility Agreement.

15.3 The Security Agent and any Receiver may place any money received, recovered or realised pursuant to this deed in or at an interest bearing suspense account and it may retain the same for such period as it considers expedient without having any obligation to apply the same or any part of it in or towards discharge of the Secured Liabilities.

16 PROTECTION OF THIRD PARTIES

- 16.1 No person (including a purchaser) dealing with the Security Agent or its agents has an obligation to enquire of the Security Agent, any Receiver or others:
- (a) whether the Secured Liabilities have become payable;
 - (b) whether any power purported to be exercised has become exercisable;
 - (c) whether any Secured Liabilities or other monies remain outstanding;
 - (d) how any monies paid to the Security Agent or any other Secured Party or to the Receiver shall be applied; or
 - (e) the status, propriety or validity of the acts of the Receiver or the Security Agent.
- 16.2 The receipt by the Security Agent or any Receiver shall be an absolute and a conclusive discharge to a purchaser and shall relieve him of any obligation to see to the application of any monies paid to or by the direction of the Security Agent or any other Secured Party or any Receiver.
- 16.3 In clauses 16.1 and 16.2 "**purchaser**" includes any person acquiring, for monies or monies worth, any lease of, or Security over, or any other interest or right whatsoever in relation to, the Secured Assets or any of them.

17 SUBSEQUENT SECURITY

If the Security Agent or any Secured Party receives notice of any other subsequent Security or other interest affecting all or any of the Secured Assets it may open a new account or accounts for the relevant Chargor or the Borrower in its books. If it does not do so then, unless it gives express written notice to the contrary to the relevant Chargor, as from the time of receipt of such notice by the Security Agent, all payments made by that Chargor to the Security Agent or to any other Secured Party shall not be treated as having been applied in reduction of the Secured Liabilities.

18 PAYMENTS

18.1 Currency of account

Subject to clause 18.2, sterling is the currency of account and payment for any sum due from the Chargors under this deed.

18.2 Change of currency

- (a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
 - (i) any reference in this deed to, and any obligations arising under this deed in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Security Agent; and

- (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Security Agent (acting reasonably).
- (b) If a change in any currency of a country occurs, this deed will, to the extent the Security Agent (acting reasonably) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the London interbank market and otherwise to reflect the change in currency.

18.3 No set-off by the Chargors

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

19 MISCELLANEOUS

19.1 Certificates and determinations

Any certification or determination by a Secured Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

19.2 Partial invalidity

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

19.3 Remedies and waivers

- (a) No failure to exercise, nor any delay in exercising, on the part of the Security Agent, any right or remedy under this deed shall operate as a waiver of any such right or remedy or constitute an election to affirm this deed. No election to affirm this deed on the part of the Security Agent shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall 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 not exclusive of any rights or remedies provided by law.
- (b) A waiver given or consent granted by the Security Agent under this deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

19.4 Releases

Upon the expiry of the Security Period, the Security Agent shall, at the request and cost of the Chargors, take whatever action is necessary to release and reassign to the Chargors (as applicable) its rights arising under this deed and the Secured Assets from

the Security created by and under this deed and return all documents or deeds of title delivered to the Security Agent under this deed.

20 NOTICES

20.1 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 by letter.

20.2 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:

- (a) in the case of the Chargors, that identified with their names below;
- (b) in the case of the Borrower, that identified with its name below; and
- (c) in the case of the Security Agent, that identified with its name below,

or any substitute address, fax number or department or officer as that Party may notify to the Security Agent (or the Security Agent may notify to the other Parties if a change is made by the Security Agent) by not less than 5 Business Days' notice.

20.3 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with this deed will only be effective:
 - (i) if by way of fax, when received in legible form; or
 - (ii) if by way of letter, when it has been left at the relevant address or 5 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 20.2, if addressed to that department or officer.

- (b) Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is expressly marked for the attention of the department or officer identified with the Security Agent's signature below (or any substitute department or officer as the Security Agent shall specify for this purpose).
- (c) Any communication or document which becomes effective, in accordance with clauses 20.3(a) and/or 20.3(b), after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day.

20.4 Notification of address and fax number

Promptly upon receipt of notification of an address or fax number or change of address or fax number pursuant to clause 20.2 or changing its own address or fax number, the Security Agent shall notify the other Party.

20.5 Electronic communication

- (a) Any communication to be made between any two Parties under or in connection with this deed may be made by electronic mail or other electronic means to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication and if those two Parties:
 - (i) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
 - (ii) notify each other of any change to their address or any other such information supplied by them by not less than 5 Business Days' notice.
- (b) Any electronic communication made between those two Parties will be effective only when actually received in readable form and in the case of any electronic communication made by a Party to the Security Agent only if it is addressed in such a manner as the Security Agent shall specify for this purpose.
- (c) Any electronic communication which becomes effective, in accordance with clause 20.5(b), after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day.

20.6 English language

- (a) Any notice given under or in connection with this deed must be in English.
- (b) All other documents provided under or in connection with this deed must be:
 - (i) in English; or
 - (ii) if not in English, and if so required by the Security Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

21 ASSIGNMENT

The Security Agent may assign or otherwise transfer all or any part of its rights under this deed or any Security created by or under it in accordance with the terms of the Finance Documents.

22 COUNTERPARTS

This deed or any Finance Document entered into under or in connection with this deed may be executed in any number of counterparts, and by each party on separate

counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this deed or any such Finance Document entered into under or in connection with this deed by e-mail attachment or telecopy shall be an effective mode of delivery.

23 GOVERNING LAW

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

24 ENFORCEMENT AND JURISDICTION

24.1 Jurisdiction of English courts

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this deed (including a dispute relating to the existence, validity or termination of this deed or any non-contractual obligation arising out of or in connection with this deed) ("**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) This clause 24 is for the benefit of the Security Agent. As a result, the Security Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

24.2 Service of process

- (a) The Civil Procedure Rules regarding service and deemed service will not apply to any letter or other communication notifying a claim or serving legal proceedings under or in connection with this deed, which shall instead be served in accordance with this clause 24.2.
- (b) Any letter or other communication notifying a claim or serving legal proceedings under or in connection with this deed may not be made by way of fax and must be made pursuant to clauses 20 (*Notices*) of this deed (excluding, for this purpose, clause 20.5 (*Electronic communication*)).

IN WITNESS of which the parties have executed this deed on the date set out above.

SCHEDULE 1**CHARGORS**

Name	Company Number
First Alliance Properties (Investment) Limited	04936050
Fareham Scarlet Limited	06015044
FAP Holdings Fareham Limited	08900728
Cassiopeia Star Finance Limited	10963075
Mistletoe Finance Limited	10963218
Mistletoe Holdings Limited	10599892

EXECUTION PAGES

The Borrower

EXECUTED as a deed for and on behalf
of **FIRST ALLIANCE PROPERTIES
(FAREHAM REACH NO.3) LLP** acting
by its members

First Alliance Properties (Investment) Limited and
Fareham Scarlet Limited

.....
Member

.....
Member

Notices

Address: Womble Bond Dickinson (UK) LLP, Oceana House, 39-49 Commercial Rd,
Southampton SO15 1GA

Fax: N/A

Attention: Mark Barnwell

The Chargors

EXECUTED as a deed for and on behalf
of **FIRST ALLIANCE PROPERTIES
(INVESTMENT) LIMITED** acting by its
directors Mark Barnwell

....., and
.....Michael Tomkinson.....

.....
Director

.....
Director

Notices

Address: Womble Bond Dickinson (UK) LLP, Oceana House, 39-49 Commercial Rd,
Southampton SO15 1GA

Fax: N/A

Attention: Mark Barnwell

EXECUTION VERSION

EXECUTED as a deed for and on behalf
of **FAREHAM SCARLET LIMITED**
acting by its directors

.....Mark Barnwell, and

.....Michael Tomkinson

.....
Director

.....
Director

Notices

Address: Womble Bond Dickinson (UK) LLP, Oceana House, 39-49 Commercial Rd,
Southampton SO15 1GA

Fax: N/A

Attention: Mark Barnwell

EXECUTED as a deed for and on behalf
of **FAP HOLDINGS FAREHAM LIMITED**
acting by its directors

.....Mark Barnwell....., and

.....Michael Tomkinson

.....
Director

.....
Director

Notices

Address: Womble Bond Dickinson (UK) LLP, Oceana House, 39-49 Commercial Rd,
Southampton SO15 1GA

Fax: N/A

Attention: Mark Barnwell

EXECUTED as a deed by
a director for and on behalf of
CASSIOPEIA STAR FINANCE LIMITED
in the presence of:

Director

Witness

Signature :

Name :

Occupation :

Address :

:

:

:

:

:

DAVID THOMAS LEMBLETON
COMPANY DIRECTOR

Notices

Address: Womble Bond Dickinson (UK) LLP, Oceana House, 39-49 Commercial Rd,
Southampton SO15 1GA

Fax: N/A

Attention: Mark Barnwell

EXECUTED as a deed by
a director for and on behalf of
MISTLETOE FINANCE LIMITED in the
presence of:

Director

Witness

Signature :

Name :

Occupation :

Address :

:

:

:

:

:

Notices

Address: Womble Bond Dickinson (UK) LLP, Oceana House, 39-49 Commercial Rd,
Southampton SO15 1GA

Fax: N/A

Attention: Mark Barnwell

EXECUTED as a deed by
a director for and on behalf of
CASSIOPEIA STAR FINANCE LIMITED
in the presence of:

.....
Director

Witness

Signature :
Name :
Occupation :
Address :

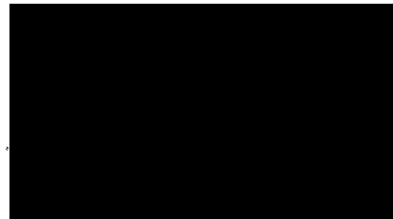
Notices

Address: Womble Bond Dickinson (UK) LLP, Oceana House, 39-49 Commercial Rd,
Southampton SO15 1GA

Fax: N/A

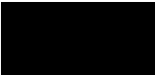
Attention: Mark Barnwell

EXECUTED as a deed by
a director for and on behalf of
MISTLETOE FINANCE LIMITED in the
presence of:



Witness

Signature :
Name : C.G. BENNETT
Occupation : SOFTWARE BUSINESS
Address :



Notices

Address: Womble Bond Dickinson (UK) LLP, Oceana House, 39-49 Commercial Rd,
Southampton SO15 1GA



Fax: N/A

Attention: Mark Barnwell

EXECUTED as a deed by
a director for and on behalf of
MISTLETOE HOLDINGS LIMITED in the
presence of:



Witness

Signature : 
Name : **CG BENNETT**
Occupation : **SOFTWARE BUSINESS**
Address : 

Notices

Address: Womble Bond Dickinson (UK) LLP, Oceana House, 39-49 Commercial Rd,
Southampton SO15 1GA

Fax: N/A

Attention: Mark Barnwell

Security Agent

Signed for and on behalf of **NATIONAL
WESTMINSTER BANK PLC** by its duly
authorised signatory

.....
Authorised Signatory

Notices

Address: 1st Floor, 440 Strand, London, WC2R 0QS

Fax: N/A

Attention: Sebastian Walley

EXECUTION VERSION

EXECUTED as a deed by
a director for and on behalf of
MISTLETOE HOLDINGS LIMITED in the
presence of:

.....
Director

Witness

Signature :
Name :
Occupation :
Address :

Notices

Address: Womble Bond Dickinson (UK) LLP, Oceana House, 39-49 Commercial Rd,
Southampton SO15 1GA

Fax: N/A

Attention: Mark Barnwell

Security Agent

Signed for and on behalf of **NATIONAL
WESTMINSTER BANK PLC** by its duly
authorised signatory


Authorised Signatory

Notices

Address: 1st Floor, 440 Strand, London, WC2R 0QS

Fax: N/A

Attention: Sebastian Walley