



Registration of a Charge

Company name: **INTEGRITY PROPERTY MANAGEMENT LIMITED**

Company number: **05559019**



X53D7842

Received for Electronic Filing: **23/03/2016**

Details of Charge

Date of creation: **21/03/2016**

Charge code: **0555 9019 0001**

Persons entitled: **FE LOAN MANAGEMENT LIMITED**

Brief description: **1. BY WAY OF EQUITABLE CHARGE: 1.1 ALL ITS ESTATES, RIGHTS, BENEFITS, REMEDIES OR POWER UNDER CONTRACT OF ANY OTHER KIND INCLUDING THE PROCEEDS OF ANY CLIENT'S INTERESTS IN ANY FREEHOLD OR LEASEHOLD PROPERTY WHICH IT HAS NOW OR MAY SUBSEQUENTLY ACQUIRE IN ANY OTHER REAL PROPERTY AND THE PROCEEDS OF ANY SALE OF THEM. 2. BY WAY OF FIRST FIXED CHARGE: 2.1 ALL RIGHTS, BENEFITS, REMEDIES OR POWERS UNDER ALL CONTRACTS OR OF ANY OTHER KIND INCLUDING THE PROCEEDS OF ANY CLAIMS AND ANY PATENTS, TRADEMARKS, SERVICE MARKS, KNOW-HOW, COPYRIGHT, REGISTERED OR REGISTERABLE DESIGNS OR APPLICATIONS FOR ANY OF THESE, TRADE OR BUSINESS NAMES, RIGHTS UNDER LICENCES OR CONSENTS OR ANY SIMILAR RIGHTS.**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

Authentication of Instrument

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION
IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **PDT SOLICITORS**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 5559019

Charge code: 0555 9019 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 21st March 2016 and created by INTEGRITY PROPERTY MANAGEMENT LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 23rd March 2016 .

Given at Companies House, Cardiff on 24th March 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 21 March

2016

(1) INTEGRITY PROPERTY MANAGEMENT LIMITED

and

(2) FE LOAN MANAGEMENT LIMITED

DEBENTURE

WE HEREBY CERTIFY THIS TO BE
A TRUE COPY OF THE ORIGINAL

PDT Solicitors
pdt solicitors

THIS DEBENTURE is made on 21 day of March 2016

BETWEEN

1. **INTEGRITY PROPERTY MANAGEMENT LIMITED**, a company incorporated in England and Wales (company number 5559019) whose registered office is at Unit 18A, Orbital 25 Business Park, Dwight Road, Watford, WD18 9DA (the "**Chargor**"); and
2. **FE LOAN MANAGEMENT LIMITED**, a company incorporated in England and Wales (company number 06906958) whose registered office is at Riverside House, 4 Meadows Business Park, Station Approach, Camberley, Surrey GU17 9AB as recipient of the benefit of the security (the "**Chargee**").

The parties agree as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 In this Debenture the following definitions apply:

"the Act"	the Insolvency Act 1986;
"Account Balances"	Current Balances and Deposit Balances where together referred to;
"Assets"	all assets including business, undertaking, property (including Intellectual Property) and Rights held by or on behalf of the Chargor and the proceeds of such assets and Rights;
"Business Day"	a week day on which banks are open for business in the City of London;
"Charged Assets"	all or any part of the Chargor's Assets charged or expressed to be charged under this Debenture;
"Chattel Mortgage"	any chattel mortgage in an agreed form over those assets of the Chargor set out therein granted by the Chargor in favour of the Chargee;
"Current Balances"	all credit balances due or owing to the Chargor on any current account;
"Deposit Balances"	all credit balances due or owing to the Chargor on any account except any current accounts;
"Encumbrance"	charge, mortgage, lien, pledge or other security right or declaration of trust;
"Facility Agreement"	all Facility Letters incorporating all schedules attached thereto and the Chargee's standard terms and conditions

	to the Chargor by the Chargee;
"Facility Letter"	any facility letter made between the Chargor and the Chargee to make available to the Chargor term loan facilities (and, if more than one facility letter, the expression "Facility Letter" shall mean any one or more of them);
"Finance Documents"	this Debenture together with all and any Facility Agreement, Guarantee, Chattel Mortgage, Intercreditor Agreement, loan postponement or assignment of keyman insurance granted by the Chargor to the Chargee;
"Fixed Charge Assets"	such of the Assets as shall for the time being be subject to the fixed charge created by clause 3.1.2 and any other of the Assets in respect of which the floating charge created by clause 3.1.3 shall have crystallised;
"Floating Assets"	The undertaking of the Chargor and all the Assets other than such of the Assets as shall for the time being be subject to the fixed charge created by clause 3.1.2;
"Group Company"	any company whose relation to the Chargor is that of: <ul style="list-style-type: none"> a. a parent undertaking; b. a subsidiary undertaking; or c. any subsidiary undertaking of that parent undertaking (in accordance with the meanings given to those expressions in section 1162 of the Companies Act 2006);
"Guarantee"	any personal or corporate guarantee in an agreed form given by a director or other person (including any other Group Company under a composite/multilateral guarantee or otherwise) in favour of the Chargee;
"Intercreditor Agreement"	any intercreditor agreement in an agreed form entered into by the Chargor and any other relevant Group Company with the Chargee and any other chargeholders (if applicable);
"Intellectual Property"	patents, trademarks, service marks, know-how, copyright, registered or registerable designs or applications for any of these, trade or business names, rights under licences or consents or any similar rights;

"Investments"

means:

- a. all or any stocks, shares, bonds and securities of any kind (marketable or otherwise), negotiable instruments and warrants and any other financial instruments; and
- b. all allotments, accretions, offers, options, rights, bonuses, benefits and advantages whether by way of conversion, redemption, preference, option or otherwise which at any time accrue to or are offered or arise in respect of them, and includes all dividends, interest and other distributions paid or payable on or in respect of them;

"Plant and Machinery"

all fixed and moveable plant, machinery, tools, vehicles, computers, office and other equipment and the benefit of all related authorisations, agreements and warranties;

"Receivables"

the book debts and all other receivables due, owing or payable to the Chargor;

"Rights"

rights, benefits, remedies or powers under contracts or of any other kind including the proceeds of any claims;

"Secured Obligations"

- a. all present or future liabilities or sums due, owing or payable by the Chargor to the Chargee under the Finance Documents; and
- b. any interest, costs or expenses which any person charges or incurs (either in enforcing their rights under any of the Finance Documents or in any other way) or for which any of them becomes liable in connection with the Finance Documents.

This definition includes contingent as well as actual liabilities;

"Security"

any mortgage, charge, encumbrance, assignment for the purpose of security, pledge, lien, rights of set-off, arrangements for retention of title to goods (other than in the ordinary course of business), hypothecation or trust arrangement and anything else which grants any security or security interest or is intended to have effect as a security arrangement. This includes any agreement to create any of these but excludes security created by this Debenture;

"Schedule B1"

Schedule B1 to the Act and the expression "Administrator" has the meaning assigned to it in paragraph 1(1) of Schedule B1 to the Act and the expression "Receiver" has the meaning assigned to it section 29(1)(a) of the Act (not being an administrative receiver as defined in section 29(2) of the Act);

"Termination Event"

Any of the events set out in clause 10 of the Facility Letter and paragraph 7 of the standard terms and conditions incorporated therein in the Facility Agreement;

1.2 Interpretations: In this Debenture, unless otherwise specified, references to:

- 1.2.1 a "clause", "sub-clause", "paragraph" or "Schedule" are to a clause, sub-clause and paragraph of, and Schedule to this Debenture respectively;
- 1.2.2 a document in "agreed form" is a reference to that document in the form approved by each party and initialled by, or on behalf of them for the purpose of identification;
- 1.2.3 a "party" means a party to this Debenture and, in the case of the Chargee, includes its assignees and the successors in title to substantially the whole of its undertaking;
- 1.2.4 other documents include any amendments made to those documents;
- 1.2.5 statutory provisions refer to those provisions as amended, extended or re-enacted and include any statutory replacement;
- 1.2.6 the "Chargee" includes its successors and assigns;
- 1.2.7 "includes" and "including" means including without limitation;
- 1.2.8 "costs", "fees" or "expenses" exclude any value added tax which will be payable or applicable;
- 1.2.9 the singular includes the plural and vice versa and any of the three genders includes either of the others;
- 1.2.10 the meaning of general words introduced by the word "other" are not limited by reference to any preceding word or enumeration indicating a particular class of acts matters or things;
- 1.2.11 where the Chargee has a right or option to do anything then the right or option is at its absolute discretion;
- 1.2.12 reference to any Act of Parliament is deemed to include such Act as amended or re-enacted from time to time and any order or regulation made under it.

1.3 **Headings:** All headings and titles are inserted for convenience only and shall not affect the interpretation of this Debenture;

1.4 **Schedules included:** The Schedules form part of the operative provisions of this Debenture and references to this Debenture shall, unless the context otherwise requires, include references to the schedules ("the Schedules").

2 COVENANT TO PAY

Covenant: The Chargor covenants with the Chargee that it will:

2.1 on demand pay without any deduction or set-off all or any monetary liabilities included in the Secured Obligations; and

2.2 duly perform all the Secured Obligations other than monetary liabilities.

3 FIXED AND FLOATING CHARGES

3.1 **Charges:** The Chargor, with full title guarantee charges as continuing security for the payment of the Secured Obligations, in favour of the Chargee:

3.1.1 by way of first fixed equitable charge all its estates, Rights or interests in any freehold or leasehold property which it has now or may subsequently acquire in any other real property and the proceeds of any sale of them;

3.1.2 by way of First fixed charge:

a) all its present and future Plant and Machinery, and equipment;

b) all Deposit Balances;

c) all Investments including those held for it by any nominee;

d) all its present and future uncalled capital;

e) its Rights under all contracts and licences and in any Intellectual Property;

f) its goodwill;

3.1.3 by way of floating charge the Floating Assets; and assigns absolutely all its rights and interests under all contracts and policies of insurance.

3.2 **Other security:** The Security created under this Debenture is in addition to and independent of every guarantee or other Security which the Chargee holds at any time in respect of the Secured Obligations.

3.3 **Priority:** The Security created under this Debenture ranks in priority to any other Security created after the date of this Debenture by the Chargor.

- 3.4 **Crystallisation:** Without prejudice to the rights of the Chargee contained in clause 9 the floating charge created by clause 3.1.3 shall crystallise automatically, without the requirement for any notice or other act by the Chargee, in respect of any item charged by such charge upon which distress or execution is levied or threatened.
- 3.5 **Part Crystallisation:** In the event that the floating charge created by clause 3.1.3 shall have crystallised as to part only of the Floating Assets the Chargor shall be at liberty to deal with the remainder of the Floating Assets in accordance with the provisions of clause 3.6 without prejudice to the rights of the Chargee pursuant to clause 9 in relation to such remainder of the Floating Assets.
- 3.6 **Floating Assets:** The Chargor shall be at liberty to sell any item included in the Floating Assets in the normal course of and for the purpose of carrying on its business (on terms not less favourable than those usual in a business of the nature of that carried on by the Chargor) until the crystallisation of the floating charge created by clause 3.1.3 in respect of such item or of all the Floating Assets.
- 3.7 **Qualifying floating charge:** The floating charge created by clause 3.1.3 is a qualifying floating charge for the purposes of paragraph 14(1) of Schedule B1 in accordance with paragraph 14(2)(a) of it.

4 POSITIVE COVENANTS

- 4.1 The Covenants in this clause 4 shall remain in force from the date of this Debenture for the duration of the Security period.
- 4.2 The Chargor shall:
- 4.2.1 Keep all real property, all Plant and Machinery and all other tangible assets which form part of the Charged Assets in good and substantial repair and permit the Chargee free access at all reasonable times and on reasonable notice to view their state and condition;
 - 4.2.2 Preserve, maintain and renew as and when necessary all Intellectual Property rights which form part of the Charged Assets;
 - 4.2.3 Observe and perform all covenants, undertakings, laws and regulations from time to time affecting any Charged Asset or the use or enjoyment of it;
 - 4.2.4 Pay all tax, rents, rates, duties, fees, charges, assessments, impositions, calls, instalments and outgoings which are properly payable at any time during the Security Period in respect of any Charged Asset or by the owner or occupier of it;
 - 4.2.5 Notify the Chargee of any action commenced by a third party to seize, attach, charge, take possession of or sell any Charged Asset which (to the best of its knowledge and belief) has been started or threatened; and
- 4.3 at its own cost, defend any proceedings (including proceedings to seize, attach, charge, take possession of or sell) brought by a third party relating to any Charged Asset.

5 WARRANTY AND NEGATIVE PLEDGE

- 5.1 Warranty:** The Chargor hereby warrants that except as stated in Schedule 2 or as hitherto disclosed to the Chargee in writing it is the beneficial owner of all items included in the Assets and that all such items are free from any Encumbrance and that the Chargor is able to give a full title guarantee in respect of all of them.
- 5.2 Consent:** The Chargor will not without the prior written consent of the Chargee:
- 5.2.1** create or allow to exist any Security over any Assets; or
 - 5.2.2** sell, discount, factor, transfer, lease, licence, lend or dispose in any way of any of its Assets (except that it may deal in the ordinary course of business with any of its Floating Assets until the crystallisation of the floating charge hereby created over that one of the Floating Assets); or
 - 5.2.3** enter into any onerous obligation or restriction affecting any Fixed Charge Assets.

6 FURTHER ASSURANCE

- 6.1 Execution:** The Chargor, at the request of the Chargee and at the Chargor's cost, will execute in favour of the Chargee, or as it may direct, any further or other legal assignments, transfers, mortgages, charges or other documents which it requires (and in the form it requires) in order to provide more effective Security.
- 6.2 Delivery:** The Chargor will at the written request of the Chargee, promptly deposit with the Chargee all deeds, certificates and other documents relating or evidencing title to any of the Charged Assets.

7. RECEIVABLES AND ACCOUNT BALANCES

- 7.1 Receivables:** The Chargor will promptly get in and realise all Receivables in the ordinary course of business but subject to the other restrictions set out in this Debenture.
- 7.2 Deposit Balance:** The Chargor will, immediately after the Chargee so requires after this Debenture has become enforceable:
- 7.2.1** promptly pay the amounts received as the Receivables are realised into a deposit account specified by the Chargee;
 - 7.2.2** not withdraw any Deposit balance without the prior written consent of the Chargee.
- 7.3 Assignment and notification:** The Chargor will:
- 7.3.1** if the Chargee requires, and at the Chargor's cost, assign its rights, title and interest in any of the Receivables and the Account Balances to the Chargee in the form it requires and take any steps the Chargee requires to perfect the assignment;

7.3.2 notify any of those persons with whom it has Deposit Balances that these are subject to a fixed charge and use reasonable endeavours to procure that those persons acknowledge to the Chargee that the Deposit Balances are subject to the fixed charge and that they will not exercise set-off or other remedies over the Deposit Balances.

8 UNDERTAKINGS

Breach: The Chargor undertakes to the Chargee that it will promptly notify the Chargee if there is likely to be any breach of the Chargor's obligations under any of the Finance Documents.

9 ENFORCEMENT

Sections 93 and 103 of the Law of Property Act 1925 and the restriction in section 109(1) of that act shall not apply to this Debenture and upon the occurrence of any Termination Event or at any time after it (except during a moratorium in relation to the Chargor as provided for in paragraphs 43 or 44 of Schedule B1) the Chargee shall be entitled on demand to payment in full of all or any part of the monetary liabilities included in the Secured Obligations and, without prejudice to the Chargee's rights under the Facility Agreement and any other of its rights under this Debenture (whether or not Chargee shall have exercised any of those rights) the Chargee may exercise any of the following rights:

- 9.1 to exercise any of Chargee's powers of possession and sale of any of the Fixed Charge Assets;
- 9.2 to appoint any person to be a Receiver over any of the Fixed Charge Assets;
- 9.3 by notice to the Chargor to crystallise the floating charge created by clause 3.1.3 in respect of all the Floating Assets or any item included in them and thereby to terminate the Chargor's right to deal with such assets or item in the ordinary course of business.

10 APPOINTMENT OF RECEIVER

The power of appointing a Receiver under this Debenture may be exercised in writing under the hand of any Director or the Company Secretary for the time being of the Chargee or of any person authorised in writing by any of them. The Chargee may in like manner remove any such Receiver so appointed and (in the case of the removal or the vacation of office or the death of any such Receiver) appoint another person or persons in the place of such Receiver.

11 POWERS AND AGENCY OF RECEIVER AND INDEMNITY

11.1 Every receiver appointed under clause 10 shall have the power:

- 11.1.1 to take possession of, to enforce payment of and to collect or to realise any of the Charged Assets in respect of which he shall have been appointed or any part

thereof in such manner and upon such terms as he shall in his absolute discretion decide;

- 11.1.2 to make any arrangement or compromise as he may consider requisite on behalf of the Chargor with any other person in respect of any such Charged Assets;
- 11.1.3 without any of the restrictions imposed by the Law of Property Act 1925 to sell and assign any of such Charged Assets on such terms and to such persons as he may consider expedient;
- 11.1.4 to exercise all the powers provided for in the Law of Property Act 1925 as if the Receiver had been duly appointed under such Act;
- 11.1.5 to appoint solicitors managers and agents for any of the above purposes on such terms and for such periods as the Receiver shall think fit;
- 11.1.6 for any of the purposes hereby authorised to borrow from any bank or other person on the security of any of such Charged Assets on such terms as the Receiver shall consider expedient including (if the Chargee shall so consent) terms by which such security shall rank in priority to this Debenture;
- 11.1.7 to carry out and enforce performance of any contract (or any part of it) giving rise to any Receivable;
- 11.1.8 to give effective receipts for all monies and other assets which may come into the Receiver's hands in the exercise of any power hereby conferred upon him which receipts shall exonerate any person paying or handing over such monies or assets from all liability to see to the application thereof or to enquire as to the propriety or regularity of the Receiver's appointment;
- 11.1.9 to do all such other acts or things which the Receiver may consider to be incidental or conducive to any other purposes authorised hereby and which he may lawfully do as agent for the Chargee.
- 11.2 If two or more individuals shall hold office as Receiver of the same item included in the Charged Assets by virtue of an appointment in accordance with clause 9.2 such individuals shall have the right to exercise all or any of their powers severally as well as jointly.
- 11.3 Every Receiver appointed under this Debenture shall at all times be the agent of the Chargor and the Chargor shall alone be responsible for all acts defaults and omissions of such Receiver and for the payment of all his remuneration, costs and expenses. The Chargee shall be under no liability to any such Receiver for his remuneration, costs, expenses or in any other way whatsoever.
- 11.4 The Chargor hereby undertakes to indemnify and hold harmless the Receiver appointed under this Debenture against all actions, claims, expenses, costs and liabilities which may at any time and in any way may be incurred by him or by any person, for whose debt or default he may be answerable, in respect of anything done in the exercise or purported exercise of his powers in connection with this Debenture.

12 PAYMENTS

12.1 Application: All sums received by any Receiver appointed under this Debenture will (except as required by law) be applied:

12.1.1 towards the remuneration of the Receiver and the costs, charges and expenses of the receivership;

12.1.2 towards the satisfaction of the Secured Obligations;

12.1.3 once the Secured Obligations are fully satisfied, in payment to the Chargor or anyone else entitled to those sums.

12.2 Remuneration: Every Receiver is entitled to remuneration for his services at a rate determined by the Chargee without being limited to the maximum rate specified in section 109(6) of the Law of Property Act 1925. The Chargor is solely responsible for the payment of this remuneration.

13 POWER OF ATTORNEY

13.1 Appointment of attorney: The Chargor irrevocably appoints by way of security:

13.1.1 the Chargee;

13.1.2 any person to whom the Chargee has delegated the exercise of the power of attorney conferred by this clause; and

13.1.3 any Receiver appointed under this Debenture;

jointly and severally (with power to delegate or substitute another person) to be its attorney or attorneys.

13.2 Actions of attorney: Each attorney appointed under this clause may act on behalf of the Chargor and may, as the attorney thinks fit, execute any document or do anything which:

13.2.1 the Chargor is obliged to do under any Finance Documents but which it has not done including for the avoidance of doubt any assignment or novation required pursuant to clause 24; or

13.2.2 will enable the Chargee or any Receiver to exercise any of the Rights conferred on them under any Finance Document or by law.

13.3 Ratification by Chargor: The Chargor will ratify and confirm anything done by any attorney under this clause.

14 APPOINTMENT, POWERS AND DUTIES OF AN ADMINISTRATOR

14.1 Upon or at any time after the occurrence of any Termination Event (in addition to and without prejudice to the provisions of clauses 10 and 11) the Chargee may, in accordance with the provisions of paragraphs 14 to 18 inclusive of Schedule B1,

appoint any person who is qualified to act as an insolvency practitioner in relation to the Chargor as Administrator of the Chargor.

- 14.2 Every Administrator appointed under clause 14.1 shall have the status and all the powers and duties of an Administrator for which provision is made in Schedule B1. The Chargee shall be under no liability to any such Administrator for his remuneration, costs, expenses or in any other way whatsoever.
- 14.3 The functions of every Administrator appointed under clause 14.1, including the distribution of all monies received by him, shall be as provided in paragraphs 59 to 73 inclusive of Schedule B1.
- 14.4 The power of appointing an Administrator under this Debenture may be exercised in writing under the hand of any Director or Company Secretary for the time being of the Chargee or of any person authorised in writing by any of them. In the case of the vacation of office or the death of any such Administrator the Chargee may in like manner appoint another person so qualified in the place of such Administrator.

15 PROTECTION OF THIRD PARTIES

Verification of rights: No purchaser or anyone else dealing with the Chargee, any Receiver or any delegate appointed under this Debenture is required to verify any of the Rights of the Chargee, the Receiver or delegate or whether any conditions or regulations have been complied with.

16 SUSPENSE ACCOUNTS AND SET-OFF

- 16.1 **Payment into suspense account:** Until the Secured Obligations have been satisfied in full, the Chargee may without notice to the Chargor pay sums which it receives in respect of the Secured Obligations into a suspense account or open a new account in the Chargor's name. The Chargee is not required immediately to apply these sums in discharge of any of the Secured Obligations.
- 16.2 **Set-off:** The Chargee may without notice to the Chargor set off any of the outstanding Secured Obligations against any other liability of the Chargor to the Chargee. The liabilities referred to in this clause may be actual, contingent, several or joint liabilities and may be denominated in any currency.

17 CURRENCY

Conversion of sums received: Until the Secured Obligations have been satisfied in full, the Chargee may (at any time it thinks appropriate) convert any sums received, recovered or realised in any currency under this Debenture into any other currency at the rates of exchange which the Chargee thinks fit.

18 CONTINUING SECURITY

This Debenture is a continuing security and will not be discharged by any intermediate payment or settlement until all the Secured Obligations have been discharged in full.

19 REINSTATEMENT

- 19.1 If any payment by the Chargor or discharge given by the Chargee (whether in respect of the obligations of the Chargor or any security for these obligations or otherwise) is avoided or reduced as a result of insolvency, liquidation, administration or any similar event, the liability of the Chargor and the security created by this Debenture shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- 19.2 the Chargee shall be entitled to recover the value or amount of that security or payment from the Chargor as if the payment, discharge, avoidance or reduction had not occurred.

20 THE CHARGEES AND RECEIVER'S LIABILITY

- 20.1 **Mortgagee in possession:** The Chargee or any Receiver or delegate may take or give up possession of any of the Charged Assets without being liable to account as mortgagee in possession.
- 20.2 **Accounting for sums:** The Chargor will not require the Chargee or any Receiver or delegate to account to it for anything except the sums actually received by them.
- 20.3 **Liability for costs, losses and liabilities:** Neither the Chargee, any Receiver or delegate (or their officers, employees or agents) will be liable to the Chargor for any costs, losses or liabilities which arise in connection with the exercise of any of their Rights under this Debenture except to the extent caused by their own fraud, negligence or wilful misconduct.

21 COMBINATION OF ACCOUNTS

The Chargee may at any time without notice or other formality combine any two or more accounts held by it in the name of the Chargor.

22 DEFAULT INTEREST

Default interest: If the Chargor fails to satisfy any of the Secured Obligations when due, it will pay the Chargee interest from the due date until the date actually paid (whether before or after any judgment) at the rate of 4% per annum above the rate of interest payable on the loan secured by the Facility Agreement calculated on a daily basis.

23 INDEMNITY

Indemnity: The Chargee and its officers, employees or agents will be indemnified out of the Charged Assets against all costs, losses and liabilities incurred by any of them in respect of the Charged Assets or the exercise of their Rights under the Finance Documents or this Debenture.

24 ASSIGNMENT

- 24.1 Assignment:** The Chargor may not transfer or delegate all or any of its rights, obligations or benefits under this Debenture. The Chargee may assign or transfer all or any of its rights, obligations or benefits under this Debenture in whole or in part.
- 24.2 Disclosure of information:** The Chargee may disclose to an assignee or other transferee, or to a proposed assignee or transferee, any information received by the Chargee under or in connection with this Debenture and any of the Finance Documents. By signing this Debenture, the Chargor hereby irrevocably consents in advance to any such assignment or transfer by novation.

25 INVALIDITY

- 25.1 Invalidity of a provision:** If any provision of this Debenture is or becomes invalid, illegal or unenforceable in any respect under the law of any jurisdiction:
- 25.1.1 the validity, legality and enforceability under the law of that jurisdiction of any other provision; and
- 25.1.2 the validity, legality and enforceability under the law of any other jurisdiction of that or any other provision
- shall not be affected or impaired in any way.
- 25.2 Modification of provisions:** If any provision of this Debenture will only be enforceable, if modified, it will apply as modified.

26 RECORDS AND DOCUMENTS AND ACCESS TO PREMISES

- 26.1** The Chargor shall keep proper books and records of account and shall make true and complete entries in them of all transactions relating to any of the Chargor's business and the Assets.
- 26.2** Any duly authorised official of the Chargee and any Receiver appointed by the Chargee and any person authorised by such Receiver shall have the right at any time to enter upon any premises at which the Chargor carries on business and upon any other premises in which any part or all of the Assets are situated or for the time being kept or stored for any of the following purposes:
- 26.2.1 gaining access to or inspecting or, following any Termination Event except during a moratorium in relation to the Chargor as provided for in paragraphs 42 or 44 of Schedule B1, taking possession of any of the Chargor's accounts books ledgers computer data and other records and documents included in the Fixed Charge Assets;
- 26.2.2 taking copies of any of such accounts books ledgers data records and documents at the Chargor's expense;

26.2.3 inspecting and/or, after any Termination Event of Default except during a moratorium in relation to the Chargor as provided for in paragraphs 42 or 44 of Schedule B1, taking possession of any of the Fixed Charge Assets;

provided that the exercise of such right before a Termination Event shall be subject to entry being made during the Chargor's normal business hours and on reasonable notice.

- 26.3 The Chargor shall supply to the Chargee, at the Chargor's expense, any information relating to the Chargor's business as the Chargee may require.

27 THE CHARGEES ADDITIONAL RIGHTS

- 27.1 The grant by the Chargee to the Chargor or to any other person, including any person for whose liability the Chargor is surety, of any time or indulgence or the making by the Chargee with the Chargor or any such person of any arrangement composition or agreement not to sue shall not discharge or in any way affect any of the Chargee's rights under this Debenture.

- 27.2 The Chargee may abstain from perfecting or enforcing any securities, guarantees or other rights which it may now or at any time have from or against the Chargor or any other person and may substitute, release, alter or deal with the same in any way without affecting its rights under this Debenture.

- 27.3 If the Chargee receives or is deemed to have received notice of an Encumbrance which affects any of the Charged Assets and which is created subsequent to the date of this Debenture then the Chargee may open a new account with the Chargor. If the Chargee does not at the time of such notice or deemed notice open a new account then the Chargee will be treated as having opened a new account at that time. Any payments received by the Chargee from the Chargor subsequent to the time of that notice or deemed notice will be credited or treated as having been credited to a new account. Consequently no such payment will operate to reduce any of the Secured Obligations until such time as the Chargee is satisfied as to the priority of this Debenture over such subsequent Encumbrance.

- 27.4 Any discharge given by the Chargee to the Chargor in respect of this Debenture or of any of the Secured Obligations shall be deemed to be void and of no effect if any security taken from or payment made by the Chargor or any other person, which had been taken into account by the Chargee in giving that discharge, is subsequently avoided or reduced by or in pursuance of any provision of law or of any determination of a court or tribunal of competent authority. The paper on which this Debenture is written shall remain the property of the Chargee notwithstanding any such discharge.

28 NOTICE

- 28.1 **Notice:** Any notice, demand, drawdown request or other communication (a "Notice") given or made under or in connection with the matters contemplated by this Debenture shall be in writing and shall be delivered personally or sent by fax or e-mail or prepaid first class post to the addresses and for the attention of the persons indicated in Schedule 1 as the case may be.

28.2 Delivery: Any Notice shall be deemed to have been duly given or made as follows:

28.2.1 if personally delivered, at the time of delivery;

28.2.2 if sent by first class post, two Business Days after the date of posting; and

28.2.3 if sent by fax or e-mail, at the time of transmission,

provided that if, in accordance with the above provisions, any Notice would otherwise be deemed to be given or made outside 9.00am – 5.00pm on a Business Day such Notice shall be deemed to be given or made at 9.00am on the next Business Day.

28.3 Change of address: A party may notify the other party to this Debenture of a change to its name, relevant addressee, address or fax number for the purposes of clause 28.1, provided that such notification shall be effective only on:

28.3.1 the date specified in the notification as the date on which the change is to take place; or

28.3.2 if no date is specified or the date specified is less than 5 Business Days after the date on which notice is given, the date falling 5 Business Days after notice of any such change has been given.

29 MISCELLANEOUS

29.1 Exercise of rights: If the Chargee does not exercise a right or power when it is able to do so, this will not prevent it exercising that right or power. When it does exercise a right or power, it may do so again in the same or a different manner. The Chargee's rights and remedies under this Debenture are in addition to any other rights and remedies it may have. Those other rights and remedies are not affected by this Debenture.

29.2 Counterparts: This Debenture may be executed in 2 or more counterparts, each of which shall constitute an original but which, when taken together, shall constitute one instrument.

29.3 Third parties: A person who is not a party to this Debenture will have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms. This clause does not affect any right or remedy of any person which exists or is available other than under that Act.

29.4 Waiver and amendment: A waiver or amendment of a term or condition of this Debenture will be effective only if it is in writing and signed by the party or parties affected by such waiver or amendment. The Chargor will reimburse the Chargee for the expenses the Chargee incurs as a result of any request made by the Chargor to waive or amend a term of this Debenture or any of the Finance Documents.

29.5 Certificate to be conclusive: The Chargee is not obliged to give reasons for any of the actions it takes under this Debenture. A written certificate from the Chargee's company secretary or its auditor of the amount of the monetary liabilities included in the Secured

Obligations at any time shall be conclusive evidence (save for manifest error) in any proceedings against the Chargor.

- 29.6 **Delivery of this Deed:** Where this Deed is handed undated to the Chargee, it is done so on the basis that it shall not be treated as being created until dated by the Chargee. The Chargor hereby authorises the Chargee as agent for the Chargor to date this Deed at any time after it is handed over. Upon such dating this deed shall be deemed to be delivered.

30 **GOVERNING LAW**

This Debenture will be governed by and construed in accordance with English law and the Chargor submits to the non-exclusive jurisdiction of the English courts.

SCHEDULE 1

Notice

In the event that Notice needs to be given in accordance with the provisions of this Debenture then such Notice shall be given as follows:

In the case of the Chargor:

For the attention of: Matthew Young

Integrity Property Management Limited
Unit 18A
Orbital 25 Business Park
Dwight Road
Watford
WD18 9DA

Fax: N/A

e-mail: matthew.young@integritypm.co.uk

In the case of the Chargee:

For the attention of: The Chief Executive

FE Loan Management Limited
Riverside House
4 Meadows Business Park
Station Approach
Blackwater
Camberley
Surrey
GU17 9AB

Fax: 01276 608539

e-mail: jeff.dober@thefseggroup.com

SCHEDULE 2

Encumbrances Affecting the Property:

IN WITNESS WHEREOF these presents have been duly executed as a Deed by the Chargor and have been signed on behalf of the Chargee by an official duly authorised so to do on the day and year stated above:

CHARGOR

Signed and Delivered as a Deed on behalf

INTEGRITY PROPERTY MANAGEMENT LIMITED

acting by:

(Full Name) a Director

) _____
) Signature of Director

in the presence of:

Name of Witness:

Signature of Witness:

Address of Witness:

Occupation of witness:

CHARGE

Signed and Delivered as a Deed on behalf

FE LOAN MANAGEMENT LIMITED

acting by:

NEVAN JONES
(Full Name) a Director

) _____
) Signature of Director

in the presence of:

Name of Witness: JERREY ALAN DOBER

Signature of Witness: [Signature]

Address of Witness: 21 ST MICHAELS ROAD
SANDHURST

BERKSHIRE GU47 8HD

Occupation of witness: FUND MANAGER

SCHEDULE 2

Encumbrances Affecting the Property: