

# MR01

## Particulars of a charge



Companies House



Go online to file this information  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

A fee is payable with this form  
Please see 'How to pay' on the last page.

☒ **What this form is for**  
You may use this form to register  
a charge created or evidenced by  
an instrument.

☒ **What this form is NOT for**  
You may not use this form to  
register a charge where there is  
an instrument. Use form

For further information, please  
refer to our guidance at:

This form **must be delivered to the Registrar for registration**  
**21 days** beginning with the day after the date of creation of the  
charge. *delivered outside of the 21 days it will be rejected unless it is accompanied by a*  
court order extending the time for delivery.

You **must** enclose a certified copy of the instrument with this form  
scanned and placed on the public record. **Do not send the original.**



THURSDAY

### 1 Company details

Company number 0 6 8 4 4 0 6 0

Company name in full INSPIREDSPACES DURHAM (PROJECTCO1) LIMITED

For official use  
3  
→ **Filling in this form**  
Please complete in typescript or in  
bold black capitals.  
All fields are mandatory unless  
specified or indicated by \*

### 2 Charge creation date

Charge creation date d 2 d 7 m 0 m 9 y 2 y 0 y 1 y 8

### 3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees  
entitled to the charge.

Name U.S. BANK TRUSTEES LIMITED (company number 02379632)

Name

Name

Name

If there are more than four names, please supply any four of these names then  
tick the statement below.

☐ I confirm that there are more than four persons, security agents or  
trustees entitled to the charge.

MR01

Particulars of a charge

<b>4</b>	<b>Brief description</b> Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument.  Brief description Please refer to the Debenture dated 27 September 2018 made between (1) INSPIREDSAPES DURHAM (PROJECTCO1) LIMITED and (2) U.S. BANK TRUSTEES LIMITED.	Please submit only a short description if there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument".  Please limit the description to the available space.
<b>5</b>	<b>Other charge or fixed security</b> Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box. <input checked="" type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>	
<b>6</b>	<b>Floating charge</b> Is the instrument expressed to contain a floating charge? Please tick the appropriate box. <input checked="" type="checkbox"/> <b>Yes</b> Continue <input type="checkbox"/> <b>No</b> Go to <b>Section 7</b> Is the floating charge expressed to cover all the property and undertaking of the company? <input checked="" type="checkbox"/> <b>Yes</b>	
<b>7</b>	<b>Negative Pledge</b> Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box. <input checked="" type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>	
<b>8</b>	<b>Trustee statement <sup>1</sup></b> You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge. <input type="checkbox"/>	<sup>1</sup> This statement may be filed after the registration of the charge (use form MR06).
<b>9</b>	<b>Signature</b> Please sign the form here.  Signature X Bryan Cave Leighton Paisner LLP  This form must be signed by a person with an interest in the charge.	

# MR01

## Particulars of a charge



### Presenter information

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name  
Will Martin

Company name  
Bryan Cave Leighton Paisner LLP

Address  
Adelaide House, London Bridge,

Post town  
London

County/Region  
London

Postcode  
E C 4 R 9 H A

Country  
UK

DX  
92 LONDON/CHANCERY LN

Telephone  
020 3400 2320



### Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



### Checklist

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

- ☐ The company name and number match the information held on the public Register.
- ☐ You have included a certified copy of the instrument with this form.
- ☐ You have entered the date on which the charge was created.
- ☐ You have shown the names of persons entitled to the charge.
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8.
- ☐ You have given a description in Section 4, if appropriate.
- ☐ You have signed the form.
- ☐ You have enclosed the correct fee.
- ☐ Please do not send the original instrument; it must be a certified copy.



### Important information

**Please note that all information on this form will appear on the public record.**



### How to pay

**A fee of £23 is payable to Companies House in respect of each mortgage or charge filed on paper.**

Make cheques or postal orders payable to 'Companies House.'



### Where to send

**You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below:**

#### For companies registered in England and Wales:

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

#### For companies registered in Scotland:

The Registrar of Companies, Companies House,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.  
DX ED235 Edinburgh 1  
or LP - 4 Edinburgh 2 (Legal Post).

#### For companies registered in Northern Ireland:

The Registrar of Companies, Companies House,  
Second Floor, The Linenhall, 32-38 Linenhall Street,  
Belfast, Northern Ireland, BT2 8BG.  
DX 481 N.R. Belfast 1.



### Further information

For further information, please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**



**FILE COPY**

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

Company number: 6844060

Charge code: 0684 4060 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 27th September 2018 and created by INSPIREDSACES DURHAM (PROJECTCO1) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 4th October 2018.

Given at Companies House, Cardiff on 11th October 2018



**Companies House**



**THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES**

DATED 27 September 2018

**INSPIREDSAPES DURHAM (PROJECTCO1) LIMITED**  
as Chargor

**U.S. BANK TRUSTEES LIMITED**  
as Security Trustee

**DEBENTURE**

in respect of a facilities agreement dated on or about the date of this debenture relating to the refinancing of the design, construction, financing and operation and maintenance by the Borrower of Shotton Hall Primary School, Shotton Hall Secondary School and Sedgefield Community College in County Durham under the United Kingdom government's Private Finance Initiative

We hereby certify this to be  
a true copy of the original  
*Bryan Cave Leighton Paisner LLP*  
Bryan Cave Leighton Paisner LLP  
Adelaide House  
London Bridge  
London EC4R 9HA

BRYAN  
CAVE  
LEIGHTON  
PAISNER 

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

## Contents

Clause	Name	Page
1	Definitions and interpretation.....	1
2	Covenant to pay.....	7
3	Creation of security .....	8
4	Provisions as to security .....	11
5	Perfection of security.....	13
6	Restriction on dealings .....	14
7	investments .....	14
8	Book debts .....	16
9	Assigned documents.....	17
10	When security becomes enforceable.....	17
11	Enforcement of security.....	18
12	Receivers and administrators .....	20
13	Set off .....	22
14	Expenses and indemnity .....	22
15	Release of security .....	23
16	Avoidance of payments .....	24
17	Cumulative remedies and waivers .....	24
18	Severability .....	24
19	Evidence and calculations .....	24
20	Application of proceeds .....	24
21	New accounts .....	25
22	Suspense accounts.....	25
23	Power of attorney .....	25
24	Protection of Security Trustee and Receiver .....	26
25	Transfers .....	26
26	Notices .....	27
27	Land Registry.....	27
28	Third parties .....	27
29	Perpetuity period.....	27
30	Financial collateral .....	27
31	Stamp duty .....	28
32	Counterparts.....	28
33	Governing law and jurisdiction .....	28
<b>Schedule</b>	<b>Name</b>	<b>Page</b>
1	Assigned Documents .....	29
2	Notices of assignment .....	32
2	Part 1 Notice of assignment of Insurance Policy .....	32
2	Part 2 Notice of assignment of Assigned Documents .....	34
<b>Execution Page</b>		<b>36</b>

**DATED** 27 September 2018

## **PARTIES**

- (1) **INSPIREDSAPCES DURHAM (PROJECTCO1) LIMITED** (company no 06844060) whose registered office is at 3 More London Riverside, London, England SE1 2AQ (the "**Chargor**"); and
- (2) **U.S. BANK TRUSTEES LIMITED** a limited liability company incorporated under the laws of England and Wales (company number 02379632) whose registered office is at 125 Old Broad Street, Fifth Floor, London EC2N 1AR, as security trustee for each of the Finance Parties and the Subordinated Creditors acting in accordance with and subject to the Intercreditor Deed and the Facilities Agreement (the "**Security Trustee**").

## **BACKGROUND**

- (A) The Finance Parties have agreed to make available to the Chargor certain loan facilities pursuant to the Facilities Agreement.
- (B) In consideration for those facilities being made available the Chargor has agreed to enter into this Deed.

## **OPERATIVE PROVISIONS**

### **1 DEFINITIONS AND INTERPRETATION**

#### **1.1 Incorporation of definitions**

Terms defined in the Facilities Agreement, unless otherwise defined in this Deed or unless a contrary intention appears, bear the same meaning when used in this Deed.

#### **1.2 Additional definitions**

In this Deed:

**"Administrator"** means any person appointed as an administrator pursuant to paragraph 26 of schedule B1 to the Insolvency Act.

**"Assigned Documents"** means the documents listed in Schedule 1 (*Assigned Documents*) together with any other documents relating to the Project entered into from time to time by the Chargor.

**"Business Day"** means a day (other than a Saturday or Sunday) on which banks are open for general business in London.

**"Charged Assets"** means the assets, rights and undertaking of the Chargor from time to time mortgaged, charged or assigned to the Security Trustee by or pursuant to this Deed.

**"Deed"** means this debenture.

**"Enforcement Event"** means:

- (a) until the Senior Debt Discharge Date, an Event of Default (as defined in the Facilities Agreement) which has occurred and is continuing; and
- (b) after the Senior Debt Discharge Date, a continuing Event of Default (as defined under the relevant Subordinated Finance Document).

**"Facilities Agreement"** means the facilities agreement dated on or around the date of this Deed between the Chargor, RefiCo, Infrastructure Debt I Limited as Original Lender and U.S. Bank Trustees Limited as Security Trustee.

**"Insolvency Act"** means the Insolvency Act 1986.

**"Insurance Policy"** means any policy of insurance or assurance in which the Chargor may at any time have an interest.

**"Intellectual Property Rights"** means:

- (a) all patents, trademarks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, know how and other intellectual property rights and any interests including by way of licence in any of the foregoing in each case whether registered or not; and
- (b) the benefit of all applications for and rights to use any such assets.

**"Intercreditor Deed"** means the Intercreditor deed dated on or around the date of this Deed between the Chargor, RefiCo, HoldCo, Infrastructure Debt I Limited as Original Lender and U.S. Bank Trustees Limited as Security Trustee.

**"Investments"** means all shares and stock in the capital of any company, debentures, securities, certificates or deposits, interests in collective investment schemes, warrants, options and any other rights to subscribe for or acquire any such investments hereafter owned by the Chargor or in which the Chargor has an interest (including all Authorised Investments) together in all cases with all Related Rights.

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

**"Project Account"** means each Project Account (as defined in the Facilities Agreement) in the name of the Chargor and includes:

- (a) if there is a change of Account Bank, any account into which all or part of a credit balance from a Project Account is transferred;
- (b) any account which is a successor to a Project Account on any re-numbering or re-designation of accounts and any account into which all or part of a balance from a Project Account is transferred for investment or administrative purposes; and
- (c) any future account opened by the Chargor and designated as such.

**"Real Property"** means any present or future freehold or leasehold property in which the Chargor has an interest and includes all buildings and fixtures on that property, the proceeds of sale of any part of that property, any licence, agreement for sale or agreement for lease in relation to that property, the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor



in respect of that property and any monies paid or payable in respect of those covenants.

**"Receiver"** means a receiver or receiver and manager or an administrative receiver of the whole or any part of the Charged Assets, which term will include joint receivers and any substitute receiver, receiver and manager or administrative receiver whether appointed under this Deed or pursuant to statute.

**"RefiCo Intercompany Loan Agreement"** means the facilities agreement between the Chargor and RefiCo dated on or about the date of this Deed.

**"Related Rights"** means, in relation to any Investments, all rights derived from those Investments including rights to dividends, interest and other distributions paid or payable after the date of this Deed on all or any of those Investments and all stocks, shares or other securities (and dividends, interest and other distributions thereon) or other rights accruing or offered at any time by way of redemption, bonus, pre-emption or otherwise to or in respect of all or any of those Investments or in substitution or exchange for all or any of the Investments.

**"Secured Obligations"** means:

- (a) all present and future obligations and liabilities (whether actual or contingent, whether or not matured, whether or not liquidated, whether owed jointly or severally, as principal or surety or in any other capacity whatsoever) of the Obligors to the Finance Parties (or any of them) under each of the Finance Documents, including any prepayment amount, any breakage costs and any interest accruing on the foregoing (and whether originally owing to that Finance Party or purchased or acquired by that Finance Party), except for any obligation or liability which, if it were so included, would result in this Deed contravening any law; and
- (b) all present and future obligations and liabilities (whether actual or contingent, whether owed jointly or severally, as principal or surety or in any other capacity whatsoever) of the Obligors to the Subordinated Creditors (or any of the) under each of the Subordinated Finance Documents.

**"Senior Creditors"** has the meaning given to this term in the Intercreditor Deed and "Senior Creditor" shall be construed accordingly.

**"Senior Debt Discharge Date"** means the date on which all of the Senior Debt has been fully and irrevocably paid and discharged to the satisfaction of the Lender and all Commitments of the Lender have been cancelled and no Senior Creditor is under any actual or contingent obligations (other than any future obligations of the Obligors to the Security Trustee which may accrue after such date) to provide further financial accommodation to the Chargor or any other person under any Finance Document.

**"Subordinated Creditors"** has the meaning given in the Intercreditor Deed.

**"Subordinated Debt"** has the meaning given in the Intercreditor Deed.

**"Subordinated Finance Document"** has the meaning given in the Intercreditor Deed.

### 1.3 **Implied covenants for title**

The obligations of the Chargor under this Deed shall be in addition to the covenants for title deemed to be included in this Deed by virtue of Part I of the Law of Property (Miscellaneous Provisions) Act 1994.

### 1.4 **Modification of Law of Property (Miscellaneous Provisions) Act 1994**

The following provisions of the Law of Property (Miscellaneous Provisions) Act 1994 will not apply to Clause 3 (*Creation of Security*), being:

- (a) the words "other than any charges, encumbrances or rights which that person does not and would not reasonably be expected to know about" in section 3(1);
- (b) the words "except to the extent that" and all the words thereafter in section 3(2); and
- (c) section 6(2).

### 1.5 **Effect as a deed**

This Deed is intended to take effect as a deed notwithstanding that the Security Trustee may have executed it under hand only.

### 1.6 **Law of Property (Miscellaneous Provisions) Act 1989**

To the extent necessary for any agreement for the disposition of the Charged Assets in this Deed to be a valid agreement under section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the other Finance Documents and of any side letters between the parties to this Deed are incorporated into this Deed.

### 1.7 **Avoidance**

If the Security Trustee (acting reasonably) considers that an amount paid to a Finance Party under a Finance Document or a Subordinated Creditor under a Subordinated Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.

### 1.8 **Security trust provisions**

- 1.8.1 The Security Trustee holds the benefit of this Deed on trust for the Finance Parties and the Subordinated Creditors in accordance with the terms of the Intercreditor Deed.
- 1.8.2 In acting hereunder, the Security Trustee does so subject to and in accordance with the detailed provisions of the Intercreditor Deed and the Facilities Agreement.
- 1.8.3 The parties to this Deed acknowledge and agree that notwithstanding anything to the contrary in this Deed or any Finance Document, the Security Trustee has agreed to become a party to this Deed for the better preservation and enforcement of its rights and, except as expressly provided in this Deed, shall not assume any liabilities or obligations hereunder, including for the avoidance of doubt, by virtue of being a party or a Finance Party.

- 1.8.4 The Security Trustee executes this Deed as security trustee in the exercise of the powers and authority conferred and vested in it under the Facilities Agreement and the Intercreditor Deed for and on behalf of the Finance Parties and Subordinated Creditors for whom it acts (and to the extent to which it acts). It will exercise its powers and authority under this Deed in the manner provided for in the Facilities Agreement and the Intercreditor Deed and, in so acting, the Security Trustee shall have the protections, immunities, rights, indemnities and benefits conferred on it under and by the Facilities Agreement and the Intercreditor Deed.
- 1.8.5 The Security Trustee shall not owe any fiduciary duties to the Obligors or any of their directors, employees, agents, or affiliates.
- 1.8.6 Notwithstanding any other provision of this Deed:
- (a) until the Senior Debt Discharge Date, in acting under and in accordance with this Deed the Security Trustee is entitled to seek instructions from the Lender in accordance with the provisions of the Facilities Agreement and the Intercreditor Deed at any time, and where it so acts on the instructions of a Lender entitled to give it those instructions, the Security Trustee shall not incur any liability to any person for so acting; and
  - (b) after the Senior Debt Discharge Date, in acting under and in accordance with this Deed the Security Trustee is entitled to seek instructions from the Subordinated Creditors, and where it so acts on the instructions of the Subordinated Creditors in accordance with the provisions of the Intercreditor Deed at any time, the Security Trustee shall not incur any liability to any person for so acting.
- 1.9 **Construction**
- 1.9.1 Unless a contrary indication appears, any reference in this Deed to:
- (a) **"Chargor", "Security Trustee", "Finance Party", "Obligor", "Subordinated Creditor"** or any other person shall be construed so as to include its successors in title, permitted assignees and permitted transferees and, in the case of the Security Trustee, shall be considered to include any person or persons acting as security trustee pursuant to the Intercreditor Deed and the Facilities Agreement;
  - (b) an agreement, document or instrument is a reference to it as amended or novated (but where a defined term is incorporated by reference in this Deed from a document which is not a Finance Document, then it shall be treated as having the meaning given to it in the other document as in effect on the date of this Deed);
  - (c) an **"amendment"** includes a supplement, novation, replacement, assignment or re-enactment (and **"amended"** shall be construed accordingly);
  - (d) **"assets"** includes present and future properties, revenues and rights of every description;
  - (e) an Event of Default is **"continuing"** prior to the Senior Debt Discharge Date if it has not been remedied (to the satisfaction of the Lender) or waived;

- (f) **"disposal"** includes a sale, transfer, grant, lease or other disposal, whether voluntary or involuntary (and **"dispose"** shall be construed accordingly);
- (g) **"document"** includes any deed, instrument (including negotiable instrument) or other document of any kind;
- (h) the **"Facilities Agreement"**, a **"Finance Document"** or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as from time to time amended, novated, supplemented, replaced, extended or restated in whole or in part;
- (i) **"guarantee"** means any guarantee, letter of credit, bond, indemnity or similar assurance against loss or non-performance, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets or services of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness or other obligations (and **"guaranteed"** and **"guarantor"** shall be construed accordingly);
- (j) any matter **"including"** specific instances or examples of such matter shall be construed without limitation to the generality of that matter (and references to **"include"** shall be construed accordingly);
- (k) **"Indebtedness"** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- (l) a **"judgment"** includes any order, injunction, determination, award or other judicial or arbitral measure in any jurisdiction;
- (m) a **"law"** includes common or customary law and any constitution, decree, judgment, legislation, order, ordinance, regulation, statute, treaty or other legislative measure, in each case of any jurisdiction whatever (and **"lawful"** and **"unlawful"** shall be construed accordingly);
- (n) any **"obligation"** of any person under this Deed or any other agreement or document shall be construed as a reference to an obligation expressed to be assumed by or imposed on it under this Deed or, as the case may be, that other agreement or document (and **"due"**, **"owing"**, **"payable"** and **"receivable"** shall be similarly construed);
- (o) a **"person"** includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing;
- (p) **"rights"** includes rights, authorities, discretions, remedies, liberties, powers, easements, quasi-easements and appurtenances (in each case, of any nature whatsoever);
- (q) a **"person"** includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing;
- (r) a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental,

intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

- (s) a provision of law is a reference to that provision as from time to time amended or re-enacted;
- (t) the "**winding-up**", "**dissolution**" or "**administration**" of a person shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such person is incorporated or established, or any jurisdiction in which such person carries on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors; and
- (u) Clauses and Schedules are to the clauses and schedules to this Deed.

1.9.2 Clause headings are for ease of reference only.

1.9.3 Words in the singular shall import the plural and vice versa.

1.9.4 Words defined in the Companies Act 2006 have the same meanings in this Deed.

1.9.5 In the event that any of the terms of this Deed conflict with the provisions of the Intercreditor Deed, the relevant provisions of the Intercreditor Deed shall prevail.

1.10 Where there is any reference in this Deed or any other Relevant Document to the Security Trustee acting reasonably or properly, or doing an act or coming to a determination, opinion or belief that is reasonable or proper, or any similar or analogous reference, the Security Trustee shall, where they have sought such instructions from the Lender or, after the Senior Debt Discharge Date, the Subordinated Creditors, be deemed to be acting reasonably and properly or doing an act or coming to a determination, opinion or belief that is reasonable if, as applicable, the Security Trustee acts on the instructions of the Lender or, after the Senior Debt Discharge Date, the Subordinated Creditors. Where there is in this Deed or any other Relevant Document a provision to the effect that the Security Trustee is not to unreasonably withhold or delay its consent or approval, it shall be deemed not to have so withheld or delayed its consent or approval if the withholding or delay is caused by instructions being sought from the Lender or, after the Senior Debt Discharge Date, the Subordinated Creditors and it is not unreasonable for the Lender or, after the Senior Debt Discharge Date, the Subordinated Creditors to withhold or delay giving their consent or approval.

1.11 In providing instructions to the Security Trustee, the Lender and Subordinated Creditors shall act properly or reasonably (as applicable) and provide sufficient information and details in order to allow the Security Trustee to fulfil its duties under the Intercreditor Deed.

## 2 COVENANT TO PAY

### 2.1 Covenant to pay

The Chargor, as principal debtor and not just as surety, covenants with the Security Trustee to pay, discharge and satisfy the Secured Obligations when the same become due in accordance with the terms of the Finance Documents or Subordinated Finance Documents (as applicable) whether by acceleration or otherwise.

## 2.2 Interest

The Chargor shall pay interest on any amount demanded from it in accordance with this Deed from the date of such demand until such amount is irrevocably discharged and paid in full (such interest to accrue on a daily basis after as well as before judgment or the liquidation or administration of the Chargor and to be payable on demand) at the rate from time to time applicable to unpaid sums specified in clause 23 of the Intercreditor Deed, save to the extent that such interest is charged on such amount pursuant to the relevant Finance Document (or Subordinated Finance Document, as applicable) and itself constitutes a Secured Obligation.

## 3 CREATION OF SECURITY

### 3.1 General

All the security created under this Deed:

- (a) is created in favour of the Security Trustee as security trustee for each of the Finance Parties and the Subordinated Creditors;
- (b) is created over the present and future assets of the Chargor;
- (c) is security for the payment of all the Secured Obligations; and
- (d) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

### 3.2 Fixed charges

As security for the payment of the Secured Obligations, the Chargor charges in favour of the Security Trustee with full title guarantee the following assets, both present and future from time to time owned by it or in which it has an interest by way of first fixed charge:

- (a) all estates or interests in any Real Property now or hereafter belonging to it;
- (b) all its rights under any agreement relating to the purchase of any freehold or leasehold property;
- (c) all its rights under any occupational lease, licence or other right of occupation;
- (d) all plant, machinery, computers, office equipment or vehicles owned by it and its interests in any plant, machinery or other items in its possession;
- (e) all of the Chargor's interest in the monies standing to the credit of the Project Accounts (other than the Distribution Account and other than, in respect of its interest therein, the Joint Insurance Account) and the debts represented by them and all its rights in each such account;
- (f) all monies standing to the credit of any account maintained by it with any person or (to the extent of its interest) in which it has an interest (other than a Project Account but including, to the extent of its interest, the Joint Insurance Account) and (to the extent of its interest) the debts represented by them and all its rights in such accounts;

- (g) all of its book debts and other debts, the proceeds of the same and all other monies due and owing to it and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to any of the foregoing;
- (h) all its rights under any Treasury Transaction;
- (i) its goodwill and uncalled capital;
- (j) all its right, title and interest in any Investment and Related Rights including all rights which the Chargor may have at any time against any clearance or settlement system or any custodian in respect of any Investment;
- (k) all its right, title and interest in any Intellectual Property Rights belonging to it or (to the extent of its interest) in which it has an interest;
- (l) the benefit of all licences, consents and authorisations (statutory or otherwise) held by it in connection with its business or the use of any Charged Asset specified in any other sub-paragraph in this Clause and the right to recover and receive all compensation which may be payable to it in respect of them; and
- (m) if not effectively assigned by Clause 3.4, all its right, title and interest in and to (and claims under) the Assigned Documents and the Insurances.

### 3.3 Exceptions to fixed security

The fixed security from time to time created by this Deed does not extend to any asset situated outside England and Wales or the rights to which are governed by any law other than the laws of England and Wales to the extent that and for so long as any such fixed security would be unlawful or ineffective under the laws of the jurisdiction in which such asset is situated.

### 3.4 Assignment by way of security

To the extent not validly and effectively charged by way of first fixed charge pursuant to Clause 3.2 (*Fixed charges*) the Chargor assigns and agrees to assign absolutely with full title guarantee to the Security Trustee all of its rights, title and interest in:

- (a) each of the Assigned Documents;
- (b) all Insurance Policies taken out by it or on its behalf or (to the extent of its interest) in which it has an interest and the right to all claims and returns of premiums in respect of any such Insurance Policies; and
- (c) the benefit of any other agreement to which it is party, any letter of credit issued in its favour and any bill of exchange or other negotiable instrument held by it,

subject to a proviso for reassignment on irrevocable discharge in full of the Secured Obligations.

### 3.5 **Floating charge**

The Chargor charges by way of first floating charge the whole of its property (including uncalled capital) comprised from time to time in its property and undertaking and all other property, assets and rights of whatever nature and wherever situated which are not otherwise effectively charged or assigned pursuant to the foregoing provisions of this Clause.

### 3.6 **Automatic crystallisation of floating charge**

The floating charge created by Clause 3.5 (*Floating charge*) shall immediately upon the occurrence of any of the following events be converted into a fixed charge in respect of the following Charged Assets:

- (a) any Charged Assets which shall without the prior written consent of the Security Trustee become subject to a fixed charge in favour of any person other than the Security Trustee;
- (b) any Charged Assets in respect of which any person shall levy, or attempt to levy, any distress, diligence, execution, sequestration or other similar process;
- (c) all Charged Assets if an Administrator is appointed by the Security Trustee or the Security Trustee receives notice of an intention to appoint an Administrator; or
- (d) all Charged Assets on the convening of any meeting of the members of the Chargor to consider a resolution to wind up the Chargor (or not to wind up the Chargor).

### 3.7 **Crystallisation on notice of floating charge**

The Security Trustee may at any time:

- (a) after the security created by this Deed has become enforceable in accordance with Clause 10 (*When security becomes enforceable*); or
- (b) if the Chargor fails to comply or takes or threatens to take any action which in the reasonable opinion of the Security Trustee is likely to result in it failing to comply with its obligations under Clause 6 (*Restriction on dealings*); or
- (c) if the Security Trustee considers that any of the Charged Assets are in danger of being seized or sold as a result of any legal process, or are otherwise in jeopardy; or
- (d) if the Security Trustee considers that steps are being taken or have been taken which are likely or intended to lead to the appointment of an Administrator or the presentation of a petition for the winding-up of the Chargor,

by giving notice in writing to that effect to the Chargor convert the floating charge created by Clause 3.5 (*Floating charge*) into a fixed charge as regards any asset specified in such notice. The conversion shall take effect immediately upon the giving of the notice.



### 3.8 **Qualifying floating charge**

Paragraph 14 of schedule B1 to the Insolvency Act applies to the floating charge created by Clause 3.5 (*Floating charge*) so that the floating charge created by Clause 3.5 (*Floating charge*) shall be a "qualifying floating charge" for the purposes of that paragraph.

### 3.9 **Restrictions on the creation of security**

If security cannot be created in respect of any asset of the Chargor without the consent of any third party:

- (a) the Chargor must notify the Security Trustee promptly upon becoming aware of the same;
- (b) this Deed shall not create any security in respect of that asset except to the extent permitted without the consent of any third party but will secure all amounts which the Chargor may receive in respect of that asset;
- (c) unless the Security Trustee otherwise agrees, the Chargor must use reasonable endeavours to obtain the consent of the third party to the creation of security over that asset pursuant to this Deed; and
- (d) on and from the date on which such consent is obtained, the security created by this Deed shall extend to and include that asset.

## 4 **PROVISIONS AS TO SECURITY**

### 4.1 **Continuing security**

4.1.1 The security from time to time created by this Deed is a continuing security and will remain in full force and effect as a continuing security until released or discharged by the Security Trustee.

4.1.2 No part of the security from time to time created by this Deed will be considered satisfied or discharged by any intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations.

### 4.2 **Additional security**

This Deed shall be without prejudice and in addition to any other security which may at any time be held by the Security Trustee, any other Finance Party or Subordinated Creditor in respect of the Subordinated Debt from the Chargor or any other person in respect of the whole or any part of the Secured Obligations and may be enforced independently of any such other security.

### 4.3 **No obligation to take other enforcement proceedings**

The Security Trustee shall not be obliged before exercising any of the rights conferred on it by this Deed or by law:

- (a) to make any demand of the Chargor or any other person other than that required by the terms of the Finance Documents;
- (b) to take any action, enforce any security, exercise any right of compensation or set-off or to obtain or enforce any judgement, decree or order in any court against the Chargor or any other person;

- (c) to make or file any claim or proof in a winding up, liquidation, administration or other insolvency proceedings of the Chargor or any other person; or
- (d) to enforce or seek to enforce any other security taken in respect of any of the obligations of the Chargor or any other person under the Finance Documents.

#### 4.4 **Waiver of defences**

The obligations of the Chargor under this Deed will not be affected by any act, omission or circumstances which, but for this Clause 4.4 (*Waiver of defences*), might operate to release, discharge, impair or otherwise affect any of the obligations of the Chargor under this Deed or any of the rights, powers or remedies conferred upon the Security Trustee and the other Finance Parties (or a Subordinated Creditor in respect of the Subordinated Debt) or any of them by the Finance Documents (or Subordinated Finance Documents, as applicable) or by law including (but without limitation) and whether or not known to the Chargor, any Finance Party or a Subordinated Creditor:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person from its obligations under any Finance Document, any Subordinated Finance Document or any security or guarantee granted in connection therewith;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document, any Subordinated Finance Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document, any Subordinated Finance Document any other document or security; or
- (g) any insolvency or similar proceedings.

#### 4.5 **Non-competition**

Until the security created by this Deed has been discharged, the Chargor will not, after a claim has been made or by virtue of any payment or performance by it of the Secured Obligations:

- (a) be subrogated to any rights, security or monies held, received or receivable by any Finance Party or any Obligor (or any Subordinated Creditor after the Senior Debt Discharge Date);
- (b) be entitled to any right of contribution or indemnity in respect of any payment made or monies received on account of the Secured Obligations;
- (c) claim, rank, prove or vote as a creditor of any Obligor or its estate in competition with any Finance Party or any Subordinated Creditor after the Senior Debt Discharge Date; or
- (d) receive, claim or have the benefit of any payment, distribution or security from or on account of any Obligor, or exercise any right of set-off as against an Obligor,

and the Chargor shall forthwith pay or transfer to the Security Trustee an amount equal to the amount of any dividend, distribution, contribution or benefit (including without limitation any amount set-off) actually received by it and in the meantime shall hold the same in trust for the Security Trustee to the extent required to pay or discharge the Secured Obligations.

## 5 PERFECTION OF SECURITY

### 5.1 Notices of Assignment

The Chargor shall:

- (a) within two (2) Business Days of execution of this Deed (or, if later as soon as possible after the Chargor enters into such Assigned Document) in respect of each Assigned Document, deliver or arrange delivery of a duly completed notice of assignment to each other party to that Assigned Document, and use reasonable endeavours to procure that each such person executes and delivers to the Security Trustee an acknowledgement, in each case in the form set out in Schedule 2, Part 2 (*Notice of assignment of Assigned Documents*) (or in such other form as the Security Trustee shall agree); and
- (b) within two (2) Business Days of execution of this Deed (or, if later as soon as possible after such Insurance Policy is taken out) deliver or arrange delivery of a duly completed notice to each insurance company which has issued an Insurance Policy and use reasonable endeavours to procure that such Insurance company executes and delivers to the Security Trustee an acknowledgement, in the form set out in Schedule 2, Part 1 (*Notice of assignment of Insurance Policy*) (or in such other form as the Security Trustee shall agree).

### 5.2 Investments

The Chargor shall, promptly following the acquisition of any Investment as soon as possible after obtaining the same (but in any event within two (2) Business Days) deposit with the Security Trustee, or as the Security Trustee may direct, all certificates and other documents of title or evidence of ownership in relation to any Investment and shall:

- (a) execute and deliver to or to the order of the Security Trustee all transfers (executed in blank and left undated and duly stamped if applicable) and such other documents as the Security Trustee may reasonably require in

order to enable the Security Trustee (or its nominee) to be registered as the owner or otherwise obtain a legal title to any Investment; or

- (b) in the case of any such Investment which is held in any clearance or settlement system or by any custodian, execute and deliver such documents as the Security Trustee may reasonably require to perfect the security conferred over that Investment by this Deed.

### 5.3 **Registration of Intellectual Property**

The Chargor hereby agrees, if so requested by the Security Trustee, to execute all such documents and do all acts that the Security Trustee may reasonably require to record the interest of the Security Trustee in any registers relating to any Intellectual Property Rights in which the Chargor has an interest.

### 5.4 **Further assurance**

- 5.4.1 The Chargor will promptly, at its own expense, do all such acts and execute all such documents as the Security Trustee may reasonably specify (and in such form as the Security Trustee may reasonably require) to:

- (a) create, perfect or enhance the security created or intended to be created by this Deed (which may include the execution by any Chargor of a mortgage, charge, assignment or other form of fixed security over all or any of the Charged Assets) or for the exercise of the rights, powers and remedies of the Security Trustee or any Receiver provided by or pursuant to this Deed or by law;
- (b) confer on the Security Trustee security over any property or assets of the Chargor located in any jurisdiction outside England and Wales equivalent or similar to the security intended to be conferred by or pursuant to this Deed; and/or
- (c) after the security created by this Deed has become enforceable pursuant to Clause 10 (*When security becomes enforceable*) facilitate the realisation of the Charged Assets.

- 5.4.2 The obligations of the Chargor under this Clause 5.4 (*Further assurance*) are in addition to and not in substitution for the covenants for further assurance deemed to be included herein by virtue of the Law of Property (Miscellaneous Provisions) Act 1994.

## 6 **RESTRICTION ON DEALINGS**

Save as permitted by the Facilities Agreement, the Chargor will not create or permit to subsist any security on any part of the Charged Assets or dispose of or otherwise deal with any part of the Charged Assets.

## 7 **INVESTMENTS**

### 7.1 **Rights prior to default**

Prior to the security created by this Deed becoming enforceable in accordance with Clause 10 (*When security becomes enforceable*) the Chargor shall have the sole right to exercise all voting rights in relation to the Investments provided that the Chargor shall not exercise such voting rights in any manner which would alter the rights attached to the Investments or which, in the opinion of the Security Trustee

would prejudice the value of, or the ability of the Security Trustee to realise, the security created by this Deed.

## **7.2 Rights during default**

After the security created by this Deed has become enforceable in accordance with Clause 10 (*When security becomes enforceable*), the Security Trustee may, at its discretion (without any further consent or authority from the Chargor):

- (a) register all or any of the Investments in the name of the Security Trustee or its nominee and the Chargor shall, as and when required by the Security Trustee, procure such registration;
- (b) exercise (or refrain from exercising) any voting rights in respect of the Investments; and
- (c) exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Investments,

in such manner and on such terms as the Security Trustee may think fit for the purpose of preserving the value of, or realising, the security created by this Deed.

## **7.3 Dividends prior to default**

Prior to the security created by this Deed becoming enforceable in accordance with Clause 10 (*When security becomes enforceable*) the Chargor shall be entitled to receive all dividends, interest and other monies arising from the Investments.

## **7.4 Dividends during default**

After the security created by this Deed has become enforceable in accordance with Clause 10 (*When security becomes enforceable*):

- (a) the Security Trustee shall be entitled to receive all dividends, interest and other monies arising from the Investments and to apply the same in payment of the Secured Obligations; and
- (b) the Chargor shall take all necessary steps to ensure that all dividends, interest and other monies arising from the Investments are paid directly to the Security Trustee and if the Chargor receives any dividends, interest and other monies arising from the Investments it shall promptly pay the same to the Security Trustee and pending such payment shall hold the same on trust for the Security Trustee.

## **7.5 Security Trustee as proxy**

The Chargor irrevocably appoints the Security Trustee or its nominee as its proxy to exercise all voting rights in respect of the Investments (so long as those Investments remain registered in the name of the Chargor) which the Security Trustee is or becomes entitled at such time to exercise in accordance with the terms of this Deed.

## **7.6 Payment of calls**

The Chargor represents and warrants that its shares are fully paid at the date hereof and shall pay when due all calls or other payments which may be or become due in respect of any of the Investments.

**7.7 Performance by Security Trustee**

If the Chargor fails to perform any of the obligations relating to the Investments (including the payment of any call or other payment due in respect of any of the Investments), the Security Trustee may, at its sole discretion, do so on its behalf and any cost or expenses properly incurred by the Security Trustee in so doing shall be repaid by the Chargor to the Security Trustee within three (3) Business Days of demand together with accrued interest thereon at the rate from time to time applicable to unpaid sums specified in the Facilities Agreement from the time or respective times of the same having been paid or incurred until payment thereof (as well as after as before judgement).

**7.8 No liability for Security Trustee**

Notwithstanding the provisions of Clause 7.7 (*Performance by Security Trustee*) the Security Trustee shall not be obliged to perform any of the obligations of the Chargor in relation to the Investments nor shall it have any liability in respect of the Investments as a result of the grant of this Deed, the transfer of the Investments to it or its nominee or as a result of the performance or non-performance of any such obligation.

**7.9 No duty of the Security Trustee in respect of the Investments**

The Security Trustee shall not have any duty to ensure that any dividends, interest or other moneys and assets receivable in respect of the Investments are duly and punctually paid, received or collected as and when the same become due and payable or to ensure that the correct amounts (if any) are paid or received on or in respect of the Investments or to ensure the taking up of any (or any offer of any) stocks, shares, rights, moneys or other property paid, distributed, accruing or offered at any time by way of redemption, bonus, rights, preference or otherwise on or in respect of, any of the Investments.

**8 BOOK DEBTS****8.1 Collection of book debts**

The Chargor shall get in and realise:

- (a) any securities to the extent held by way of temporary investment;
- (b) book and other debts and other monies; and
- (c) royalties, fees and income of like nature in relation to Intellectual Property Rights,

in each case in the ordinary course of business and hold the proceeds of such getting in and realisation (until payment into a Project Account) upon trust for the Security Trustee.

**8.2 Payment into designated bank accounts**

The Chargor shall promptly pay all monies received or receivable by it from any source (including the proceeds of collection of all book debts) into a Project Account (or, if one or more Project Accounts have been designated for this purpose under the Facilities Agreement, the designated Project Account(s) or following an Enforcement Event, such other bank account or accounts as the Security Trustee may specify).

## 9 **ASSIGNED DOCUMENTS**

### 9.1 **Representations**

The Chargor represents to the Security Trustee for itself and as security trustee for each of the Finance Parties and the Subordinated Creditors on the date of this Deed that:

- (a) it has not assigned, charged or transferred any interest in the Assigned Documents save in accordance with this Deed;
- (b) it has not received or given a notice or intimation of termination, rescission, suspension or breach in respect of any of the Assigned Documents; and
- (c) the information contained in Schedule 1 (*Assigned Documents*) is complete and accurate in all respects.

### 9.2 **Duty to perform**

The Chargor agrees that notwithstanding the provisions of Clause 3.4 (*Assignment by way of security*) it shall remain liable to perform all its obligations under and, prior to the enforcement of the security created by this Deed pursuant to Clause 10 (*When security becomes enforceable*), shall be entitled to exercise all rights, remedies, powers and discretions conferred on it under the Assigned Documents subject to and in accordance with the provisions of the Finance Documents and the Security Trustee shall not have any liability or responsibility under any of the Assigned Documents to the Chargor or any other party.

### 9.3 **Failure to perform**

Without prejudice to Clause 9.2 (*Duty to perform*), if the Chargor fails to perform any of its obligations under any of the Assigned Documents, the Security Trustee shall be entitled, but not required, to perform or procure performance of such obligations in accordance with such Assigned Documents, and the amount of all payments made or costs properly incurred by the Security Trustee in that respect, shall be reimbursed by the Chargor to the Security Trustee within three (3) Business Days of demand together with accrued interest thereon at the rate from time to time applicable to unpaid sums specified in the Facilities Agreement from the time or respective times of the same having been paid or incurred until payment thereof (as well as after as before judgement).

### 9.4 **No liability for Security Trustee**

Notwithstanding the provisions of this Clause 9 the Security Trustee shall not be obliged to perform any of the obligations of the Chargor in relation to the Assigned Documents nor shall it have any liability in respect of the Assigned Documents as a result of the grant of this Deed, the assignment of the Chargor's rights, title and interests in the Assigned Documents to it or as a result of the performance or non-performance of any such obligation.

## 10 **WHEN SECURITY BECOMES ENFORCEABLE**

The security created by this Deed will become immediately enforceable upon the occurrence of an Enforcement Event.

## 11 ENFORCEMENT OF SECURITY

### 11.1 Enforcement

After the security created by this Deed has become enforceable in accordance with Clause 10 (*When security becomes enforceable*), the Security Trustee may in its absolute discretion without prior notice to the Chargor enforce all or any part of the security created by this Deed and take possession of or dispose of all or any of the Charged Assets in any manner it sees fit.

### 11.2 Powers of Security Trustee

Any right, power or discretion conferred by this Deed or by law on a Receiver may after the security created by this Deed has become enforceable, to the extent permitted by law, be exercised by the Security Trustee in relation to any Charged Asset without first appointing a Receiver or notwithstanding the appointment of a Receiver.

### 11.3 Statutory Provisions

11.3.1 The rights, powers, privileges and immunities conferred on mortgagees or receivers by the LPA, the Insolvency Act, the Insolvency Rules 1986 or by any other enactment now or at any time in force shall apply to the Security Trustee and any Receiver except in so far as they are expressly or impliedly excluded and where there is any ambiguity or conflict between powers conferred by that legislation and those contained in this Deed the terms of this Deed shall prevail.

11.3.2 The Chargor shall not exercise or agree to exercise any of the powers of leasing or of accepting surrenders of leases conferred by sections 99 and 100 of the LPA or by common law or otherwise or grant or accept or agree to grant or accept any lease, tenancy or licence or share or agree to share possession or occupation of the Charged Assets but the Security Trustee shall be entitled to grant and make agreements for leases at a premium or otherwise and accept surrenders of leases and grant options on such terms as the Security Trustee shall consider expedient and without statutory or other restrictions.

11.3.3 For the purposes of section 99 of the LPA, the expression "Mortgagor" will include any encumbrancer deriving title under the Chargor and sub-section (18) of section 99 of the LPA will not apply.

11.3.4 Section 93 of the LPA shall not apply to this Deed or to any sale made under it. The Security Trustee shall have the right after the security created by this Deed has become enforceable in accordance with Clause 10 (*When security becomes enforceable*) to consolidate all or any of the security created by or pursuant to this Deed with any other security in existence at any time.

11.3.5 The Secured Obligations shall be deemed to have become due and payable on the date of this Deed for the purposes of section 101 of the LPA and the power of sale and other powers conferred by section 101 of the LPA (as varied or extended by this Deed) and all other powers shall be deemed to arise immediately after execution of this Deed.

11.3.6 Section 103 of the LPA (restricting the exercise of the power of sale) shall not apply to this Deed.



#### 11.4 **Protection of third parties**

- 11.4.1 No purchaser from, or other person dealing with, the Security Trustee or a Receiver shall be concerned to enquire whether any of the powers exercised or purported to be exercised has arisen or become exercisable, whether any of the Secured Obligations remains outstanding, whether the Security Trustee or a Receiver is authorised to act or as to the propriety or validity of the exercise or purported exercise of any power of the Security Trustee or any Receiver.
- 11.4.2 The receipt of Security Trustee or a Receiver shall be an absolute discharge to a purchaser from, or other person dealing with, the Security Trustee or a Receiver and shall relieve that purchaser of any obligation to see to the application of any monies paid to or at the discretion of the Security Trustee or a Receiver and in making any sale or disposal the Security Trustee or a Receiver may do so for such consideration, in such manner and on such terms (including payment by instalments) as it thinks fit.

#### 11.5 **Protection of the Security Trustee and Receiver**

Neither the Security Trustee nor any Receiver shall be liable to account to the Chargor as mortgagee in possession in respect of any Charged Asset or be liable to the Chargor in respect of any loss or damage which arises out of the exercise, the attempted or purported exercise or the failure to exercise any of their respective powers or for any other loss of any nature whatsoever (unless such loss or damage is caused by its or his gross negligence or wilful default).

#### 11.6 **Delegation**

- 11.6.1 The Security Trustee and any Receiver may from time to time delegate by power of attorney or otherwise to any person or corporation, provided always that the Security Trustee and any Receiver shall take due care in making such delegation, any of the powers and discretions of the Security Trustee or the Receiver under this Deed whether arising by statute, the provisions hereof or otherwise upon such terms and for such periods of time as it may think fit and may determine any such delegation.
- 11.6.2 Neither the Security Trustee nor any Receiver will be liable to the Chargor for any loss or damage arising from any act, default, omission or misconduct of any such delegate, and references in this Deed to the Security Trustee or to any Receiver will where the context so admits include references to any delegates so appointed.

#### 11.7 **Prior charges**

- 11.7.1 In the event of any action, proceeding or step being taken to exercise any powers or remedies conferred by any prior ranking security in case of exercise by the Security Trustee or any Receiver of any power of sale under this Deed the Security Trustee may redeem such prior security or procure the transfer thereof to itself.
- 11.7.2 The Security Trustee may settle and pass the accounts of the prior mortgagee, chargee or encumbrancer and any accounts so settled and passed will be conclusive and binding on the Chargor.
- 11.7.3 All principal monies, interest, costs, charges and expenses of and incidental to any redemption or transfer will be paid by the Chargor to the Security Trustee on demand together with accrued interest thereon at the rate from time to time applicable to unpaid sums specified in clause 23 of the Intercreditor Deed from the

time or respective times of the same having been paid or incurred until payment thereof (as well as after as before judgement).

## 12 **RECEIVERS AND ADMINISTRATORS**

### 12.1 **Appointment and Removal**

Without prejudice to the provisions of the Insolvency Act, at any time after having been requested to do so by the Chargor or after the security created by this Deed has become enforceable in accordance with Clause 10 (*When security becomes enforceable*), the Security Trustee may by instrument in writing (under seal, by deed or otherwise under hand), without prior notice to any Chargor:

- (a) (subject to section 72A of the Insolvency Act) appoint one or more persons to be a Receiver of the whole or any part of the Charged Assets;
- (b) remove (so far as it is lawfully able) any Receiver so appointed;
- (c) appoint another person(s) as an additional or replacement Receiver(s); and
- (d) appoint one or more persons to be an Administrator in accordance with paragraph 14 of schedule B1 to the Insolvency Act 1986.

### 12.2 **Receiver as agent of the Chargor**

A Receiver shall be deemed to be the agent of the Chargor for all purposes and, except as otherwise required by the Insolvency Act, the Chargor shall be solely responsible for his acts and defaults and liable on any contract or engagements made or entered into or adopted by him and all liabilities incurred by him.

### 12.3 **Remuneration of Receiver**

The Security Trustee may fix the remuneration of any Receiver appointed by it and any maximum rate imposed by law (including section 109(6) of the LPA) shall not apply. The amount of such remuneration shall be paid in accordance with the terms and conditions and in the manner agreed from time to time between the Security Trustee and the Receiver.

### 12.4 **Powers of Receiver**

A Receiver shall have (and be entitled to exercise in such manner and on such terms as he may in his absolute discretion think fit) in relation to the Charged Assets over which he is appointed the following powers (as the same may be varied or extended by the provisions of this Deed):

- (a) all of the powers of an administrative receiver set out in schedule 1 to the Insolvency Act (whether or not the Receiver is an administrative receiver) (or in schedule 2 thereof in the event of the Chargor being a company registered in Scotland);
- (b) all of the powers conferred from time to time on receivers, mortgagors and mortgagees in possession by the LPA;
- (c) power to sell (whether by public auction or private contract or otherwise) all or any of the Charged Assets on any terms and for any consideration (including without limitation for deferred consideration or a consideration

payable wholly or partly in instalments or consisting in whole or in part of shares or securities of any other company or of any other non-cash asset);

- (d) power to grant any lease or tenancy or right of or affecting the Charged Assets for any term or terms of years at any or no rent and with or without any premium and accept the surrender of any lease or tenancy or right and give a valid receipt for any premium payable on any such grant or surrender and to amend or vary any lease, licence agreement or other arrangement in any way relating to or affecting the Charged Assets;
- (e) power to grant options to sell, lease, licence or dispose of the Charged Assets;
- (f) power to enter on or otherwise take possession of the Charged Assets to repair, convert, manufacture, process, decorate, alter, renew, improve, add to or develop or to complete any development or building which may be unfinished and to settle, compound, compromise or submit to arbitration any accounts or claims arising out of the commencement, carrying on or completion of any such development or building;
- (g) power to redeem any mortgage, charge or other encumbrance on, over or affecting the Charged Assets or any part of it;
- (h) power to repair, renew or improve plant, machinery, implements, furniture, equipment and other effects of the Chargor in or on the Charged Assets;
- (i) power to settle or compromise or submit to arbitration any claim or claims on or against the Charged Assets or claim or dispute arising out of the Charged Assets;
- (j) power to disclaim, abandon or disregard all or any of the outstanding contracts of the Chargor and to allow time for payment by or to the Chargor of any debts either with or without security;
- (k) power to manage and carry on or concur in managing or carrying on upon the Charged Assets any type of trade or business and to enter and perform such contracts and arrangements and incur any obligations in relation thereto;
- (l) power to make or exercise an election pursuant to paragraphs 2 and 3 of schedule 10 to the Value Added Tax Act 1994 in relation to the Charged Assets or exercise any option or right of election available to the Chargor or the Security Trustee or the Receiver that the supplies made in respect of any lease or tenancy of any part of the Charged Assets shall be supplies chargeable or taxable for value added tax purposes at the standard or other applicable rate provided always that neither the Security Trustee nor the Receiver shall be liable for any loss suffered by the Chargor as a result and to execute all documents, and perform such acts or things as a result and to execute all documents, and perform such acts or things as maybe necessary to permit any disposal of the Charged Assets to be zero-rated for the purposes of value added tax;
- (m) power to exercise all voting and other rights attaching to stocks, shares and other securities comprising or comprised within the Charged Assets;

- (n) power to exercise in relation to any Charged Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Charged Asset; and
- (o) power to do all things which, in the opinion of the Receiver, are incidental to any of the powers, functions, authorities or discretions conferred or vested in the Receiver pursuant to this Deed or upon receivers by statute or law generally (including the bringing or defending of proceedings in the name of, or on behalf of, the Chargor; the preservation, improvement, collection and/or realisation of Charged Assets; and the execution of documents in the name of the Chargor (whether under hand, or by way of deed or by utilisation of the company seal of the Chargor).

## 12.5 Discretions

Any liberty or power which may be exercised or any determination which may be made under this Deed by the Security Trustee or any Receiver may be exercised or made in its absolute and unfettered discretion without any obligation to give reasons, but in any event in accordance with the Intercreditor Deed. For the avoidance of doubt, the Security Trustee shall not be liable for any loss caused by any failure to act as set out in this Deed in the event that it does not receive an instruction (subject to and in accordance with the Intercreditor Deed) to act.

## 12.6 Powers may be restricted

The powers granted to a Receiver pursuant to this Deed may be restricted by the instrument (signed by the Security Trustee) appointing him but they shall not be restricted by any winding-up or dissolution of the Chargor.

## 12.7 Actions of any Administrators

Save as provided for in statute or otherwise agreed in writing by that Finance Party or any Subordinated Creditor, no Finance Party or any Subordinated Creditor (as applicable) shall have any liability for the acts or omissions of an Administrator.

## 12.8 Unliquidated claims

If the relevant obligation or liability is unliquidated or unascertained, the Security Trustee may set-off the amount which it estimates (in good faith) will be the final amount of that obligation or liability once it becomes liquidated or ascertained.

## 13 SET OFF

The Security Trustee may set-off any matured obligation due from the Chargor under the Finance Documents against any matured obligation owed to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Security Trustee may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

## 14 EXPENSES AND INDEMNITY

### 14.1 Expenses

- 14.1.1 The Chargor shall pay within five (5) Business Days of demand to the Security Trustee and each Receiver, attorney or Delegate duly appointed by the Security Trustee under this Deed (subject to any written agreement between the Chargor

and that same party) the amount of all costs, liabilities and expenses (including, but not limited to, legal fees and together with any applicable value added tax):

- (a) reasonably incurred in respect of the preparation, negotiation and execution of this Deed and/or the perfection of any security created or purported to be created pursuant to this Deed; and
- (b) properly incurred and agreed in respect of any amendment, waiver or consent requested by an Obligor and relating to this Deed; and
- (c) incurred in respect of the enforcement and preservation of its rights under this Deed,

and shall keep each of them indemnified against the failure or delay in paying those costs, liabilities and expenses; this includes any arising from the actual or alleged breach by any person of any law or regulation, whether relating to the environment or otherwise, save to the extent that such costs, liabilities and expenses are caused by the Security Trustee's, Receiver's or Delegate's (as applicable) own gross negligence, wilful default or fraud.

14.1.2 The provisions of this Clause 14 shall survive the termination of this Deed.

#### 14.2 Indemnity

The Chargor shall indemnify the Security Trustee and each Receiver from and against all losses, costs, expenses, claims, demands and liabilities whether in contract, delict, tort or otherwise (together with any applicable value added tax) incurred by the Security Trustee or that Receiver or by any employee, agent or Delegate of the Security Trustee or any Receiver in connection with anything done or omitted under this Deed or any other document relating to it, or in the exercise or attempted or purported exercise of the powers contained in this Deed or occasioned by any breach by the Chargor of any of its undertakings or other obligations to the Security Trustee, or in consequence of any payment in respect of the Secured Obligations (whether made by the Chargor or a third person) being declared void or impeached for any reason. The Security Trustee and any Receiver may retain and pay all sums in respect of which it is indemnified out of any monies received by it under the powers conferred by this Deed.

### 15 RELEASE OF SECURITY

#### 15.1 Release of security

When the Secured Obligations have been irrevocably paid or discharged in full to the satisfaction of the Security Trustee and no Finance Party or Subordinated Creditor has any further obligation to provide credit facilities or other accommodation to any Obligor or, if the Security Trustee so agrees, at any other time, the Security Trustee shall, subject to the provisions of Clause 16 (*Avoidance of payments*), at the request and proper cost of the Chargor, execute such documents as may be required to release this Deed and any other security created over the Charged Assets or any of them by this Deed.

#### 15.2 Entitlement to retain security

If any payment or discharge of the Secured Obligations is, in the reasonable opinion of the Security Trustee, liable to be avoided or invalidated under any enactment relating to bankruptcy or insolvency, the Security Trustee may refuse to

grant any release of the security created by this Deed for such further period as the risk of such avoidance or invalidity continues.

**16 AVOIDANCE OF PAYMENTS**

No assurance, security or payment which may be avoided or adjusted under the law, including under any statute relating to bankruptcy or insolvency and no release, settlement or discharge given or made by the Security Trustee on the faith of any such assurance, security or payment, shall prejudice or affect the right of the Security Trustee to recover the Secured Obligations from the Chargor (including any monies which any Finance Party or Subordinated Creditor (as applicable) may be compelled to pay or refund under the provisions of the Insolvency Act and any costs payable by it pursuant to or otherwise incurred in connection therewith) or to appoint a Receiver and enforce the security created by this Deed to the full extent of the Secured Obligations.

**17 CUMULATIVE REMEDIES AND WAIVERS**

The rights of the Security Trustee and the Receiver may be exercised as often as necessary, are cumulative and are in addition to its respective rights under general law and may be waived only in writing and specifically. Delay in the exercise or non-exercise of any right shall not be a waiver of that right.

**18 SEVERABILITY**

If any of the provisions of this Deed is or becomes invalid, illegal or unenforceable that shall not affect the validity, legality and enforceability of any other provision in this Deed.

**19 EVIDENCE AND CALCULATIONS**

Any certificate or determination by the Security Trustee as to the amount of the Secured Obligations shall, in the absence of manifest error, be conclusive and binding on the Chargor for all purposes.

**20 APPLICATION OF PROCEEDS**

**20.1 Application of proceeds**

Any monies received by the Security Trustee or any Receiver after the security created by this Deed has become enforceable in accordance with Clause 10 (*When security becomes enforceable*) shall be applied in accordance with the provisions of the Intercreditor Deed.

**20.2 Other claims**

The provisions of Clause 20.1 (*Application of proceeds*) are subject to the payment of any claims having priority over the security created by this Deed. This Clause does not prejudice the right of any Finance Party or Subordinated Creditor to recover any shortfall from the Chargor.

## 21 **NEW ACCOUNTS**

### 21.1 **New accounts**

If the Security Trustee at any time becomes aware of any subsequent security or other like interest, matter, event or transaction affecting any Charged Asset, the Security Trustee may open a new account or accounts for the Chargor in its books.

### 21.2 **Ruling off**

If the Security Trustee does not open any such new account then, unless it gives express written notice to the relevant Chargor to the contrary, the Security Trustee will be treated as if it had in fact opened such account or accounts at the time when it became so aware and as from that time all payments by or on behalf of the Chargor to the Security Trustee will be credited or treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Obligations then outstanding.

## 22 **SUSPENSE ACCOUNTS**

All monies received, recovered or realised by the Security Trustee under this Deed (including the proceeds of any conversion of currency) may in the discretion of the Security Trustee be credited to any interest bearing suspense or impersonal account maintained with any bank, building society or financial institution as it considers appropriate and may be held in such account for so long as the Security Trustee may think fit pending their application from time to time in or towards the discharge of any of the Secured Obligations and save as provided herein no party will be entitled to withdraw any amount at any time standing to the credit of any suspense or impersonal account referred to above.

## 23 **POWER OF ATTORNEY**

### 23.1 **Appointment and powers**

By way of security for the obligations of the Chargor under this Deed, the Chargor irrevocably appoints the Security Trustee, any Delegate and every Receiver jointly and severally to be its attorney on its behalf or in its name or otherwise to execute and do all such assurances, acts and things which the attorney may consider necessary or desirable to:

- (a) carry out any obligation which the Chargor is required to do (but has not done) under this Deed or any other agreement binding on it to which the Security Trustee is party (including the execution and delivery of any deeds, charges, assignments or other security and any transfers of the Charged Assets and perfecting and/or releasing the security created or intended to be created in respect of the Charged Assets); and
- (b) enable the Security Trustee, any Receiver and any Delegate to exercise, or delegate the exercise of, any of the rights, powers and authorities conferred on them under this Deed or by law (including the exercise of any rights of a beneficial or legal owner of the Charged Assets).

### 23.2 **Ratification**

The Chargor ratifies and confirms whatever any such attorney appointed under Clause 23.1 (*Appointment and powers*) shall do or purport to do in the lawful

exercise or purported exercise of all or any of the powers, authorities and discretions referred to in such Clause.

## **24 PROTECTION OF SECURITY TRUSTEE AND RECEIVER**

### **24.1 Protection of Security Trustee and Receiver**

The Security Trustee shall not nor shall any Receiver, attorney or agent of the Security Trustee by reason of taking possession of the Charged Assets or any part thereof or for any other reason whatsoever and whether as mortgagee or security holder in possession or on any other basis whatsoever:

- (a) be liable to account to the Chargor or any other person whatsoever for anything except actual receipts in respect of the Charged Assets;
- (b) be liable to the Chargor or any other person whatsoever for any loss or damage arising from realisation of the Charged Assets or any part thereof or from any act, default or omission in relation to the security or any part thereof or from any exercise or non-exercise by it of any power, authority or discretion conferred upon it in relation to the Charged Assets or any part thereof or otherwise,

unless such loss or damage shall be caused by its own gross negligence, wilful default, or fraud.

### **24.2 Entry into possession**

Without prejudice to the generality of Clause 24.1 (*Protection of Security Trustee and Receiver*), entry into possession of the Charged Assets or any part thereof shall not render the Security Trustee or the Receiver liable to account as mortgagee or security holder in possession or liable for any loss on realisation or for any default or omission for which a mortgagee or security holder in possession might be liable.

### **24.3 Going out of possession**

If and whenever the Security Trustee or the Receiver enters into possession of the Charged Assets, it shall be entitled at any time at its discretion to go out of such possession.

## **25 TRANSFERS**

### **25.1 Transfer by Chargor**

The Chargor may not assign or otherwise transfer its rights and obligations under this Deed.

### **25.2 Transfer by Security Trustee**

The Security Trustee may (without prejudice to its right to appoint any joint trustee) assign and transfer all or any of its rights and obligations under this Deed to any person appointed as its successor as Security Trustee (or any separate trustee or as a co-trustee) pursuant to the Intercreditor Deed. The Security Trustee shall be entitled to disclose such information concerning the Chargor and this Deed as the Security Trustee considers appropriate to any actual or proposed direct or indirect successor or to any person to whom information may be required to be disclosed by any applicable law.



## 26 **NOTICES**

Any communication to be made under or in connection with this Deed shall be made in accordance with clause 35 (*Communications*) of the Facilities Agreement.

## 27 **LAND REGISTRY**

### 27.1 **Request to the Land Registry**

Where the whole or any part of the Real Property is registered under the Land Registration Act 1925 the Chargor hereby applies to the Chief Land Registrar for registration against the registered title of the following form of restriction:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [●] in favour of [U.S. Bank Trustees Limited] as Security Trustee for each of the Finance Parties and Subordinated Creditors referred to in the charges register or, if appropriate, signed on behalf of such proprietor by its authorised signatory."

### 27.2 **Further advances**

If any Finance Party or Subordinated Creditor is obliged to make further advances under the Finance Documents or, in respect of any Subordinated Creditor, under the Subordinated Finance Documents, that obligation is deemed to be incorporated in this Deed and the Chargor shall apply to the Chief Land Registrar for the registration against the registered title of such of the assets (if any) as is registered under the Land Registration Act 1925 of a note that the Finance Parties or Subordinated Creditors (as applicable) are under an obligation to make further advances to the Chargor.

## 28 **THIRD PARTIES**

Unless expressly provided to the contrary in this Deed, a person who is not a party to this Deed or a Finance Party may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.

## 29 **PERPETUITY PERIOD**

The perpetuity period for the trusts in this Deed is 125 years.

## 30 **FINANCIAL COLLATERAL**

### 30.1 **Right to appropriate**

To the extent that the Charged Assets constitute "financial collateral" and this Deed and the obligations of the Chargor constitute a "security financial collateral arrangement" (in each case for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226) (the "**Regulations**")) the Security Trustee shall have the right after the security created by this Deed has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Obligations.

### 30.2 **Value of financial collateral**

For the purpose of Clause 30.1 (*Right to appropriate*), the value of the financial collateral appropriated shall be such amount as the Security Trustee reasonably

determines having taken into account advice obtained by it from an independent investment or accountancy firm of national standing selected by it and the Chargor agrees that the method of valuation provided for in this Deed shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

### 31 **STAMP DUTY**

#### 31.1 **Payment of Stamp Duty**

The Chargor shall pay all stamp duties and other similar taxes or duties payable on or arising out of or in consequence of:

- (a) the creation of the security constituted by this Deed; and
- (b) the execution and delivery of this Deed and any documents executed pursuant hereto.

#### 31.2 **Indemnity**

The Chargor shall indemnify the Security Trustee within five (5) Business Days of demand against any and all liabilities with respect to or resulting from any delay or omission on the part of the Chargor to pay stamp duties and other similar taxes or duties payable in respect of Clause 31.1 (*Payment of Stamp Duty*).

### 32 **COUNTERPARTS**

This Deed may be executed in any number of counterparts and all of those counterparts taken together shall be deemed to constitute one and the same instrument.

### 33 **GOVERNING LAW AND JURISDICTION**

#### 33.1 **Governing law**

This Deed and any non-contractual obligations arising out of it or in connection with it shall be governed by, and construed in accordance with, the laws of England.

#### 33.2 **Jurisdiction**

33.2.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "**Dispute**").

33.2.2 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.

33.2.3 This Clause 33.2 (*Jurisdiction*) is for the benefit of the Finance Parties only. As a result, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

**Delivered as a deed on the date of this document.**

**Schedule 1**  
**Assigned Documents**

<b>Parties</b>	<b>Description</b>
Chargor Authority	Project Agreement
Chargor Building Contractor	Building Contract
Chargor FM Contractor	FM Agreement
Chargor FM Contractor Guarantor	FM Contractor Guarantee
Chargor HoldCo LEP	Management Services Agreement
Chargor Authority Barclays Bank plc Independent Certifier	Independent Certifier's Deed of Appointment
Chargor RefiCo HoldCo LEP BSFI PSP2	Shareholders' Agreement
Chargor RefiCo	RefiCo Intercompany Loan Agreement
Chargor	Borrower Loan Note Instrument and Borrower Loan Note
Chargor FM Contractor Authority	FM Contractor collateral warranty in favour of the Authority dated 14 August 2009
Chargor Building Contractor Authority	Building Contractor collateral warranty in favour of the Authority dated 14 August 2009

Chargor Building Contractor Seymour Harris Architecture Limited	the collateral warranty between the Borrower, the Building Contractor and Seymour Harris Architecture Limited dated 14 August 2009 in relation to architectural services at Sedgefield Community College
Chargor Building Contractor WYG Engineering Limited	the collateral warranty between the Borrower, the Building Contractor and WYG Engineering Limited dated 14 August 2009 in relation to mechanical and electrical engineering services at Sedgefield Community College
Chargor Building Contractor WYG Engineering Limited	the collateral warranty between the Borrower, the Building Contractor and WYG Engineering Limited dated 14 August 2009 in relation to civil and structural engineering services at Sedgefield Community College
Chargor Building Contractor Atkins Limited	the collateral warranty between the Borrower, the Building Contractor and Atkins Limited dated 14 August 2009 in relation to fire consultant services at Sedgefield Community College
Chargor Building Contractor Colour Urban Design Limited	the collateral warranty between the Borrower, the Building Contractor and Colour Urban Design Limited dated 14 August 2009 in relation to landscape consultant services at Sedgefield Community College
Chargor Building Contractor Atkins Limited	the collateral warranty between the Borrower, the Building Contractor and Atkins Limited dated 14 August 2009 in relation to civil, structural and fire engineering services at Shotton Hall Primary School
Chargor Building Contractor Atkins Limited	the collateral warranty between the Borrower, the Building Contractor and Atkins Limited dated 14 August 2009 in relation to mechanical and electrical engineering services at Shotton Hall Primary School
Chargor Building Contractor WYG Engineering Limited	the collateral warranty between the Borrower, the Building Contractor and WYG Engineering Limited dated 14 August 2009 in relation to acoustic engineering and BREEAM consultancy services at Shotton Hall Primary School
Chargor Building Contractor Colour Urban Design Limited	the collateral warranty between the Borrower, the Building Contractor and Colour Urban Design Limited dated 14 August 2009 in relation to landscape consultant services at Shotton Hall Primary School

Chargor Building Contractor Atkins Limited	the collateral warranty between the Borrower, the Building Contractor and Atkins Limited dated 14 August 2009 in relation to civil, structural and fire engineering services at Shotton Hall Secondary School
Chargor Building Contractor Atkins Limited	the collateral warranty between the Borrower, the Building Contractor and Atkins Limited dated 14 August 2009 in relation to mechanical and electrical engineering services at Shotton Hall Secondary School
Chargor Building Contractor WYG Engineering Limited	the collateral warranty between the Borrower, the Building Contractor and WYG Engineering Limited dated 14 August 2009 in relation to acoustic engineering and BREEAM consultancy services at Shotton Hall Secondary School
Chargor Building Contractor Colour Urban Design Limited	the collateral warranty between the Borrower, the Building Contractor and Colour Urban Design Limited dated 14 August 2009 in relation to landscape consultant services at Shotton Hall Secondary School
Chargor	the tax report from Mazars LLP on the proposed refinancing of the Project dated on or about the date of this Deed.

**Schedule 2**  
**Notices of assignment**

**Part 1**  
**Notice of assignment of Insurance Policy**

To: [●]

Date: [●]

Dear Sirs

We give you notice that, by a debenture dated [●] (the "**Debenture**"), we assigned by way of security to [U.S. Bank Trustees Limited] (the "**Security Trustee**") all our rights, interests and benefits in, to and under [the *describe Insurance Policy*] policy number (including all monies payable thereunder, proceeds of all claims, awards and judgments) and all other insurances entered into supplemental to or in replacement of such policy of insurance (the "**Policy**").

We will remain liable to perform all our obligations under the Policy and the Security Trustee is under no obligation of any kind whatsoever under the Policy nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Policy.

We irrevocably instruct and authorise you to pay all payments under or arising under the Policy to our account called "[●]", account number [●], sort code [●]. It is very important that you make all immediate arrangements for all sums payable by you under the Policy to be paid to this account.

Please note that all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising under the Policy are, following notice to you from the Security Trustee, exercisable by and belong to the Security Trustee.

We hereby instruct you to note the interest of the Security Trustee on the Policy and authorise you to disclose to the Security Trustee, without further approval from us, such information regarding the Policy as the Security Trustee may from time to time request and to send to it copies of all notices issued by you under the Policy.

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

Would you please confirm your agreement to the above by sending the enclosed acknowledgement to the Security Trustee with a copy to ourselves.

Yours faithfully

For and on behalf of  
[●]

**Acknowledgement of assignment of Insurance Policy**

To: [•]  
as Security Trustee

Date: [•]

Dear Sirs

We confirm receipt from [inspiredspaces Durham (ProjectCo1) Limited] (the "**Chargor**") of a notice dated [•] of an assignment by way of security upon the terms of a debenture dated [•] (the "**Debenture**") to [U.S. Bank Trustees Limited] (the "**Security Trustee**") of all the Chargor's rights, interests and benefits in, to and under the Policy (as specified in that notice).

We confirm that we have not received notice of any assignment or charge of or over any of the rights, interests and benefits specified in such notice and will make all payments to the account specified in that notice.

We acknowledge that the Chargor will remain liable to perform all its obligations under the Policy and the Security Trustee is under no obligation of any kind whatsoever under the Policy nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Policy.

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

Yours faithfully

[Insurer]

**Part 2**  
**Notice of assignment of Assigned Documents**

To: [●]

Date: [●]

Dear Sirs,

We give you notice that, by a debenture dated [●] (the "**Debenture**"), we assigned by way of security to [U.S. Bank Trustees Limited] (the "**Security Trustee**") all our rights, interests and benefits in, to and under the [*describe Assigned Document*] dated [●] between [●] relating to [●] (including all monies payable thereunder and the proceeds of all claims and judgments for breach of covenant) (the "**Assigned Document**").

We will remain liable to perform all our obligations under the Assigned Document and the Security Trustee is under no obligation of any kind whatsoever under the Assigned Document nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Assigned Document.

We irrevocably instruct and authorise you to pay all payments under or arising under the Assigned Document to our account called "[●]", account number [●], sort code [●]. It is very important that you make all immediate arrangements for all sums payable by you under the Assigned Document to be paid to this account.

Please note that all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising under the Assigned Document are, following notice to you from the Security Trustee, exercisable by and belong to the Security Trustee.

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

Would you please confirm your agreement to the above by sending the enclosed acknowledgement to the Security Trustee with a copy to ourselves.

Yours faithfully

For and on behalf of  
[●]



**Acknowledgement of assignment of Assigned Documents**

To: [•]  
as Security Trustee

Date: [•]

Dear Sirs

We confirm receipt from [inspiredspaces Durham (ProjectCo1) Limited] (the "**Chargor**") of a notice dated [•] of an assignment by way of security upon the terms of a debenture dated [•] (the "**Debenture**") to [U.S. Bank Trustees Limited] (the "**Security Trustee**") of all the Chargor's rights, interests and benefits in, to and under the Assigned Document (as specified in that notice) to which we are a party.

We confirm that we have not received notice of any assignment or charge of or over any of the rights, interests and benefits specified in such notice and will make all payments to the account specified in that notice.

We acknowledge that the Chargor will remain liable to perform all its obligations under the Assigned Document and the Security Trustee is under no obligation of any kind whatsoever under the Assigned Document nor under any liability whatsoever in the event of any failure by the Chargor to perform our obligations under the Assigned Document.

We confirm that we have made all necessary arrangements for all future payments payable under such Assigned Document to be made into the account specified in the notice.

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

Yours faithfully

[•]

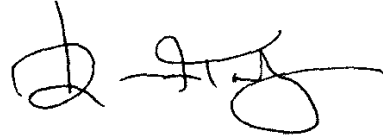
EXECUTION PAGE

Chargor

Executed as a deed by KATE FLAHERTY )  
for and on behalf of **INSPIREDSPACES** )  
**DURHAM (PROJECTCO1) LIMITED** )

by a Director/Attorney )

in the presence of:



Director/Attorney

Name of witness: AMY WEIR

Signature of witness: Amy Weir

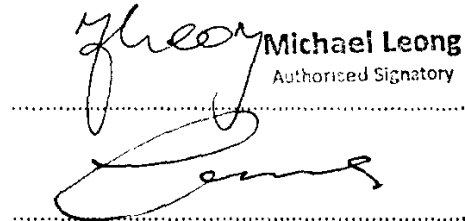
Address: Freeths LLP  
Solicitors

Occupation: 1 Vine Street  
Mayfair

Trainee Solicitor London W1J 0AH

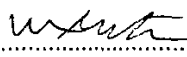
Security Trustee

**EXECUTED** as a **DEED** by )  
**U.S. BANK TRUSTEES LIMITED** )  
acting by its duly authorised attorneys )



Michael Leong  
Authorised Signatory

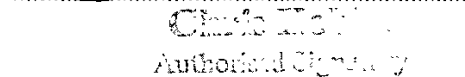
In the presence of:

Witness signature: 

Name: WILL MARTIN BRYAN CAVE LEIGHTON PARTNERS LLP  
ADELPHI 11

Address: LONDON BRIDGE  
LONDON EC4R 9HA

Occupation: TRAINEE SOLICITOR



Chris Holford  
Authorised Signatory