

MR01

Particulars of a charge

003573/26
Oyez

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


You can use the WebFiling service to file this form online
Please go to www.companieshouse.gov.uk

☒ **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 MR08.

For further information, please

This form must be delivered to the Registrar for registration within
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. This will be
scanned and placed on the public record. **Do not send the original**



A35 12/09/2014 #171
COMPANIES HOUSE

FRIDAY

1 Company details

Company number 0 7 0 1 3 6 4 6

Company name in full MHA LIGHTING LIMITED

3 For official use

Filing 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 0 9 0 9 2 0 1 4

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 DAVID McMAHON

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

4

Brief description

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 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

5

Other charge or fixed security

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

☒ Yes

☐ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☒ Yes Continue

☐ No Go to Section 7

Is the floating charge expressed to cover all the property and undertaking of the company?

☒ Yes

7

Negative Pledge

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

☒ Yes

☐ No

8

Trustee statement ①

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

☐

① This statement may be filed after the registration of the charge (use form MR06)

9

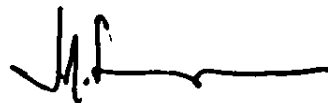
Signature

Please sign the form here

Signature

Signature

X



X

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

Jonathan Shorrocks

Company name

KBL Solicitors

Ref: 58.61156

Address

28 Mawdsley Street

Bolton

Post town

County/Region

Postcode

B L 1 1 L F

Country

DX

DX24135 Bolton 1

Telephone

01204 527777



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 £13 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.companieshouse.gov.uk or email enquires@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7013646

Charge code: 0701 3646 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 9th September 2014 and created by MHA LIGHTING LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 12th September 2014.

DT

Given at Companies House, Cardiff on 17th September 2014



Companies House



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

DATED 9th SEPTEMBER 2014

(1) MHA LIGHTING LIMITED

AND

(2) DAVID MCMAHON AS SECURITY TRUSTEE

DEBENTURE

Brabners

Horton House Exchange Flags

Liverpool L2 3YL

Ref: AJO.DHA.65889-7

Tel: 0151 600 3000

I Certify this to be a true
copy of the Original.

Jonathan Shalhoub
K&L Solicitors, Bolton

11. Sept. 2014
KIPPAX BEAUMONT LEWIS
SOLICITORS
28 MAWDSLEY STREET
BOLTON
BL1 1LF

THIS DEED is dated 9th SEPTEMBER 2014 and made between:

- (1) **MHA LIGHTING LIMITED** a company registered in England and Wales with registered number 07013046 whose registered office is at 2 Station House, Station Approach, Atherton, Manchester, M46 9LJ (the "**Company**"),
- (2) **DAVID McMAHON** of Hurleston Grange, Chester Road, Nantwich, Cheshire, CW5 6BU in his capacity as Security Trustee.

OPERATIVE PROVISIONS

1 Definitions and Interpretation

Expressly defined terms

1.1 In this deed:

Aldermore Charge	means the debenture dated 30 October 2013 given by the Company in favour of Aldermore Invoice Finance, a division of Aldermore Bank PLC
Authorisation	means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration
Bank Balances	all monies (including interest) from time to time standing to the credit of any and all present or future accounts which the Company has, or has an interest in, with any bank, financial institution, or other person and all debts represented thereby
Beneficiaries	each of the Original Beneficiaries and their respective successors and assigns as holders from time to time of the Loan Notes together with each other holder of Loan Notes from time to time
Book Debts	all present and future book and other debts, revenues and monetary claims of the Company and all rights and claims of whatever nature of the Company now or which may at any time be held or enjoyed by it against third parties and against any securities and guarantees in respect of such debts, revenues or claims
Business Day	a day, other than a Saturday or a Sunday, on which banks are open for general business in London or, for the purpose of clause 27, in the principal financial centre in the jurisdiction in which the relevant communication is delivered
Collection Account	each account which the Company has with any bank as the Security Trustee may from time to time direct for the purposes of clause 11.6
CREST	the electronic settlement system for United Kingdom and Irish securities operated by Euroclear UK & Ireland Limited or any successor or system for the time being
Default	a breach by any party (other than the Security Trustee or a Beneficiary) of any payment obligation of a Finance Document or any event or circumstance which would (with the expiry of a grace period, the giving of notice, or any combination of any of the foregoing) cause such breach
Default Rate	the same rate at which default interest is payable under paragraph 1 of the Conditions of the Loan Note Instrument
Discharge Date	the date with effect from which the Security Trustee confirms in writing to the Company that all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full and all

	relevant commitments of the Beneficiaries cancelled
Distribution Rights	<p>(a) all dividends, distributions, interest and other income paid or payable on the relevant Investment or Shares,</p> <p>(b) all shares or other property derived from the relevant Investment or Shares (whether by way of conversion, consolidation, subdivision, substitution, redemption, bonus, preference, option or otherwise); and</p> <p>(c) all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to the relevant Investment or Shares.</p>
Enforcement Party	any of the Security Trustee or a Receiver
Event of Default	a breach by any party (other than the Security Trustee or a Beneficiary) of any payment obligation of a Finance Document
Expenses	all fees, discounts, commissions and other banking or service charges, legal and other professional fees, premiums, costs or expenses, in each case calculated on a full indemnity basis and together with VAT, incurred by any Enforcement Party in connection with the Secured Assets, taking, perfecting, enforcing or exercising any power under this deed, the appointment of any Receiver or Delegate, the breach of any provision of this deed and/or the protection, realisation or enforcement of this deed, and includes the costs of transferring to the Security Trustee or the Receiver any security ranking in priority to the security constituted by this deed, or the amount required to be paid to secure the unconditional and irrevocable discharge of such security or any of the foregoing as the context shall require
Finance Documents	this deed, the Loan Note Instrument, the Security Trust Deed, any document constituting any Loan Notes and any other document designated as a "Finance Document" by the Security Trustee and the Issuer from time to time of the Loan Notes
Fixtures	any fixtures (but excluding landlord's fixtures), fittings, fixed plant or machinery from time to time situated on or forming part of the Property
Floating Charge Asset	at any time, all of the Secured Assets which are at that time the subject of the floating charge created under this deed
Insurance Proceeds	the proceeds of any insurance claim received by the Company, after deduction of any reasonable expenses incurred in relation to the relevant claim and payable by the Company to any person which is not a member of the group together with the benefit of all bonuses, profits, returns of premium and other benefits of whatever nature arising by virtue of the Company's ownership of any Insurances and all interest on any of the forgoing
Insurances	all contracts or policies of insurance of whatever nature which from time to time are taken out or maintained by or on behalf of the Company or (to the extent of its relevant interest) in which the Company has an interest other than any directors and officers or public liabilities policies to the extent that the proceeds thereunder are not receivable by the Company
Insolvency Act	Insolvency Act 1986
Intellectual Property	all rights in confidential information, copyright and like rights, database rights, design rights, rights in design, knowhow, rights in

inventions, patents, service marks, trade marks and all other intellectual property rights and interests, whether registered (or the subject of an application for registration) or un-registered, owned by the Company or in which the Company has an interest from time to time, and the benefit of the Company's applications and rights to use such assets throughout the world now and in the future

Investment	any negotiable instrument, certificate of deposit, debenture, share or other investment (as specified for the purposes of Section 22 of the Financial Services and Markets Act 2000 as at the date of this deed) now or in the future owned by the Company including (save where the context otherwise requires) the Shares
Issuer	the Company or its successors, assigns and transferees under the Loan Note Instrument
Loan Note Holder	any holder of a Loan Note from time to time
Loan Notes	means the 2% fixed rate secured loan notes 2017 to be issued by the Company pursuant to the Loan Note Instrument;
Loan Note Instrument	means the loan note instrument to be entered into by the Company pursuant to which the Company will create £1,000,000 2% fixed rate secured loan notes 2017 as the same may be amended or varied from time to time;
LPA	Law of Property Act 1925
Original Beneficiaries	has the meaning given to that term in the Security Trust Deed
Party	a party to this deed
Property	the Real Property from time to time owned by the Company or in which the Company is otherwise interested (including the Real Property, if any, specified in Schedule) together with, in every case, all proceeds of sale derived from such Real Property, the benefit of all covenants or undertakings given in respect of such Real Property and any monies paid or payable in respect of such covenants or undertakings and "Properties" shall be construed accordingly
Real Property	(a) any freehold, heritable leasehold or immovable property, and (b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of that freehold, heritable leasehold or immovable property.
Receiver	any one or more receivers and managers or (if the Security Trustee so specifies in the relevant appointment) receivers appointed by the Security Trustee pursuant to this deed in respect of the Company or in respect of the Secured Assets of the Company
Secured Assets	all the assets, rights and property, goodwill and undertaking of the Company, or any of them, or any part of them, from time to time charged or otherwise the subject of any security created by or pursuant to this deed
Secured Obligations	all indebtedness or liability whatsoever now or hereafter due, owing or incurred (i) to the Beneficiaries (or any of them) from time to time by the Issuer of the Loan Notes from time to time including

without limitation under each or any of the Loan Notes; and (ii) to the Security Trustee under this deed in whatsoever manner in any currency or currencies whether present or future, actual or contingent and whether by the Company as principal or surety or incurred solely or jointly or in any other capacity and whether owed to the original obligor or any other entity as a result of any transfer, amalgamation or acquisition together with all interest accruing thereon and all Expenses

Security	a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect
Security Documents	this deed and any other document granted from time to time as Security for the Secured Obligations
Security Period	the period beginning on the date of this deed and ending on the Discharge Date
Security Trust Deed	the security trust deed dated on or about the date of this deed and made between (1) the Security Trustee as Security Trustee, (2) the Original Beneficiaries and (3) the Company as Issuer as the same may be amended or varied from time to time
Security Trustee	David McMahon of Hurleston Grange, Chester Road, Nantwich, Cheshire, CW5 6BU
Shares	all shares (if any) specified in Schedule 2 and also all other stocks, shares, debentures, bonds, warrants, coupons or other securities now or in the future owned by the Company from time to time or any in which it has an interest
Third Parties Act	Contract (Rights to Third Parties) Act 1999
Transaction Security	any Security created or expressed to be created in favour of the Security Trustee pursuant to the Security Documents
VAT	value added tax as provided for in the Value Added Taxes Act 1994 and any other tax of a similar fiscal nature

Definitions contained in other Finance Documents

- 1.2 Save where expressly defined in clause 1.1 or where this deed expressly states otherwise, each capitalised term used in this deed which is defined in the Security Trust Deed has the same meaning as in the Security Trust Deed construed in accordance with the Security Trust Deed until the Discharge Date

Construction

- 1.3 In this deed:

- (a) any reference to:
- (i) the word "assets" includes present and future property, revenue, rights and interests of every kind,
 - (ii) the word "guarantee" includes any guarantee or indemnity and any other financial support (including any participation or other assurance against loss and any deposit or payment) in respect of any person's indebtedness;
 - (iii) the word "indebtedness" includes any obligation for the payment or repayment of money, whatever the nature or basis of the relevant obligation (and whether present or future, actual or contingent),
 - (iv) the word "law" includes law established by or under statute, constitution, treaty, decree, regulation or judgment, common law and customary law,

and the word "lawful" and similar words and phrases are to be construed accordingly;

- (v) the word "person" includes any individual, company, corporation, firm, government, state or any agency of a state and any association, partnership or trust (In each case, whether or not it has separate legal personality);
 - (vi) the word "regulation" includes all guidelines, official directives, regulations, requests and rules (In each case, whether or not having the force of law) of any governmental, inter-governmental or supranational agency, body or department or of any regulatory or other authority or organisation (whether statutory or non-statutory, governmental or non-governmental);
 - (vii) the word "security" includes any assignment or assignation by way of security, charge, lien, mortgage, standard security, pledge or other security interest securing any obligation of any person and any other agreement or arrangement having a similar effect; and
 - (viii) the word "set-off" includes analogous rights and obligations in other jurisdictions,
- (b) where something (or a list of things) is introduced by the word "including", or by the phrase "in particular" or is followed by the phrase "or otherwise", the intention is to state an example (or examples) and not to be exhaustive (and the same applies when other similar words or phrases are used);
 - (c) each reference to the "Company", the "Security Trustee" or any "Party", or any of the "Beneficiaries" includes its successors in title and its permitted assignees or permitted transferees;
 - (d) unless this deed expressly states otherwise or the context requires otherwise, (a) each reference in this deed to any provision of any statute or of any subordinate legislation means, at any time, the relevant provision as in force at that time (even if it has been amended or re-enacted since the date of this deed) and (b) each reference in this deed to any provision of any statute at any time includes any subordinate legislation made pursuant to or in respect of such provisions as in force at such time (whether made before or after the date of this deed and whether amended or re-enacted since the date of this deed);
 - (e) each reference to this deed (or to any other agreement or deed) means, at any time, this deed (or as applicable such other agreement or deed) as amended, novated, re-stated, substituted or supplemented at that time, provided that the relevant amendment, novation, re-statement, substitution or supplement does not breach any term of this deed or of any Finance Document,
 - (f) each reference to the singular includes the plural and vice versa as the context permits or requires,
 - (g) the index and each heading in this deed is for convenience only and does not affect the meaning of the words which follow it;
 - (h) each reference to a clause or Schedule is (unless expressly provided to the contrary) to be construed as a reference to the relevant clause or Schedule to this deed;
 - (i) wherever this deed states that the Company must not take a particular step without the consent of the Security Trustee, the Security Trustee has discretion whether to give its consent and can impose conditions on any such consent it gives;
 - (j) a Default (other than an Event of Default) is "continuing" if it has not been remedied or waived in accordance with the Loan Note Instrument,

- (k) an Event of Default is "continuing" if it has not been waived in accordance with the terms of the Loan Note Instrument,
- (l) if the Company does not continue to owe any actual or contingent liability to a Beneficiary under any Finance Document and that Beneficiary has no commitment or obligation outstanding under any Finance Document, that Beneficiary shall cease to be a Beneficiary under this deed; and
- (m) a reference to "£" or "sterling" or "pounds sterling" denotes the lawful currency of the United Kingdom

Third Party Rights

- 1.4 A person who is not an Enforcement Party has no right under the Third Parties Act to enforce or enjoy the benefit of any term of this deed except to the extent that this deed or any other Finance Document expressly provides for it to do so
- 1.5 No consent of any person who is not a Party is required to rescind or vary this deed at any time.
- 1.6 This clause 1.6 does not affect any right or remedy of any person which exists, or is available, otherwise than pursuant to the Third Parties Act

Incorporation of other terms

- 1.7 The terms of the other Finance Documents under which the Secured Obligations arise and of any side letters between the Company and the Security Trustee relating to the Secured Obligations are incorporated herein to the extent required for any purported disposition of the Secured Assets contained in this deed to be a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- 1.8 The provisions of clauses 17 (Notices), 18 (Partial Invalidity) and 19 (Remedies and waivers) of the Security Trust Deed shall apply to this deed as if set out in this deed in full.

Full title guarantee and implied covenants

- 1.9 All the security created or given under this deed is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- 1.10 The covenants set out in sections 2 to 5 of the Law of Property (Miscellaneous Provisions) Act 1994 are to extend to bind the Company only if, in any case, the relevant covenant imposes upon the Company a burden, liability or obligation that would not otherwise arise under this deed.

2 Covenant to pay

Covenant

- 2.1 The Company hereby, as primary obligor and not merely as surety, covenants with the Security Trustee that it will pay, discharge and perform the Secured Obligations on the due date for payment, discharge and performance pursuant to the Finance Documents and in the manner provided in the Finance Documents

Default Interest

- 2.2 Subject to paragraph 4 of the Conditions of the Loan Note Instrument, any amount which is not paid under this deed on the due date shall bear interest (as well after as before judgment or decree) payable on demand at the Default Rate from time to time from the due date until the date of actual unconditional and irrevocable payment and discharge of such amount in full, save to the extent that interest at such rate on such amount and for such period is charged pursuant to the Finance Documents relevant to that liability and itself constitutes a part of the Secured Obligations

3 Charging clause

Fixed charges

3.1 The Company, as a continuing security for the payment, discharge and performance of the Secured Obligations, hereby charges in favour of the Security Trustee the following assets, present and (save where otherwise specified) future, from time to time owned by the Company or in which the Company is from time to time interested:

- (a) First legal mortgage on specified land and buildings
 - (b) by way of first legal mortgage, all its Property (if any) identified in Schedule 1,
- (c) First fixed charge on other land and buildings
 - (d) by way of first fixed charge, all its Property (but excluding any Property made subject to a valid legal mortgage under clause 3.1(a) above all other interests in its Property, and any rights under any licence or other agreement or document which gives the Company a right to enter upon or use land wherever situated;
- (e) First fixed charge on Shares
 - (f) by way of first fixed charge all Shares (including those listed in Schedule 2) together with all Distribution Rights from time to time accruing thereto or thereon,
- (g) First Fixed charge on Investments
 - by way of first fixed charge all Investments not charged by way of first fixed charge under clause 3.1(e) above together with all Distribution Rights from time to time accruing thereto or thereon,
- (h) First fixed charge on Insurances
 - (i) (to the extent that the Insurances and/or the Insurance Proceeds are incapable for any reason of being effectively assigned pursuant to clause 3.2(a) but are capable of being effectively charged) by way of first fixed charge, the Insurances applicable to the Company and the benefit of all bonuses, profits, returns of premium and other benefits of whatever nature arising by virtue of the Company's ownership of the Insurances and all interest on any of the foregoing and all Insurance Proceeds in every case either now or in the future held by, written in favour of, or payable to the Company or in which the Company is otherwise interested;
- (j) First fixed charge on Bank Balances
 - (k) by way of first fixed charge, all of its Bank Balances;
- (l) First fixed charge on Intellectual Property
 - (m) (to the extent that the Intellectual Property is incapable for any reason of being effectively assigned pursuant to clause 3.2(c)) by way of first fixed charge, all Intellectual Property (if any) owned by the Company or in which the Company shall have an interest,
- (n) First fixed charge on Authorisations, compensation etc
 - (o) by way of first fixed charge, the benefit of all Authorisations held or utilised by the Company in connection with its business or the use of any of its assets (to the extent that such Authorisations are capable of being effectively charged) and the right to recover and receive all compensation which may at any time become payable to it in respect of such Authorisations to the extent permitted by the terms of such Authorisations and save in so far as any such Authorisations are effectively subject to any valid assignment to the Security Trustee pursuant to this deed; and
- (p) First fixed charge on goodwill and uncalled capital

(q) by way of first fixed charge, all the goodwill and uncalled capital of the Company

Assignment by way of security

3.2 As further continuing security for the payment of the Secured Obligations the Company assigns (to the fullest extent capable of assignment) to the Security Trustee all its rights, title and interest in the following assets:

- (a) Assignment of Insurances and Insurance Proceeds
- (b) the Insurances and the benefit of all Insurance Proceeds; and
- (c) Assignment of Intellectual Property
- (d) the Intellectual Property (if any) owned by the Company or in which the Company shall have an interest, together with all damages, compensation, remuneration, profit, royalties, fees, rent or income which the Company may derive from or be awarded or entitled to in respect of such Intellectual Property, but in the case of any such assignment of Intellectual Property the Security Trustee shall grant to the Company a licence to use such Intellectual Property in the ordinary course of its business and for so long as no Event of Default exists and is continuing upon such terms as may be specified by the Security Trustee.

Notice of assignment

3.3 The Company shall forthwith upon receiving a request to that effect from the Security Trustee give notice of each such assignment of its right, title and interest (if any) in and to the Insurances and Insurance Proceeds, by sending a notice in the form of Part 1 of Schedule 3 (with such amendments as the Security Trustee may agree) duly completed to each of the other parties to the Insurances, and the Company shall use all reasonable endeavours to procure that within 28 days of the date of its receiving such request each such other party delivers an acknowledgement to the Security Trustee in the form of the acknowledgement of notice contained in the notice set out in Part 1 of Schedule 3 with such amendments as the Security Trustee may agree.

Floating charge

3.4 As further continuing security for the payment to the Security Trustee of the Secured Obligations the Company hereby charges with full title guarantee in favour of the Security Trustee by way of first floating charge all its assets and undertakings whatsoever and wheresoever both present and future (but excluding always the Book Debts) not effectively charged by way of legal mortgage or fixed charge pursuant to the provisions of clause 3.1 or effectively assigned by way of security pursuant to clause 3.2.

Conversion of floating charge

3.5 The Security Trustee may at any time by notice in writing to the Company (to the extent competent under applicable law) convert the floating charge created pursuant to clause 3.4 into a fixed charge as regards such Secured Assets as it shall specify in the notice in the event that:

- (a) the Company has failed to comply with, or takes or threatens to take any action which in the opinion of the Security Trustee is likely to result in its failing to comply with its obligations under clause 8; or
- (b) the Security Trustee is of the view that:
 - (i) any Floating Charge Assets are in danger of being seized; or
 - (ii) any legal process or execution is being enforced against any Floating Charge Assets; or
 - (iii) any Floating Charge Asset is otherwise in jeopardy, or
 - (iv) steps have been taken which would, in the reasonable opinion of the Security Trustee, be likely to lead to the appointment of an administrator

in relation to the Company (or such administrator has been appointed) or to the winding-up of the Company;

(c) and by way of further assurance the Company shall promptly execute a fixed charge or security over such assets in such form as the Security Trustee shall require.

Automatic conversion of floating charge

3.6 In addition to any circumstances in which the floating charge created by clause 3.4 of this deed will crystallise automatically under the general law, and without prejudice to the operation of clause 3.5:

- (a) if the Company creates (or purports to create) any security on or over any Floating Charge Asset without the prior written consent of the Security Trustee such floating charge will automatically, (to the extent competent under applicable law) without any notice being given under clause 3.5 and immediately upon such event occurring, be converted into a fixed charge over the relevant Floating Charge Asset; and
- (b) if the Company convenes any meeting of its members to consider a resolution to wind up or not to wind up the Company, or if a liquidator, Receiver or administrator or another similar officer is appointed in respect of the Company or any of its assets, such floating charge shall in like manner (and to the extent competent under applicable law) immediately upon the happening of such event be converted into a fixed charge over all the assets which immediately prior to such conversion comprised the Floating Charge Asset

3.7 The floating charge created by clause 3.4 may not be converted into a fixed charge solely by reason of:

- (a) the obtaining of a moratorium; or
 - (b) anything done with a view of obtaining a moratorium,
- 4 under the Insolvency Act 2000.

4.1 The floating charge created by clause 3.4 is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

Contractual arrangements containing prohibition on charging

4.2 This clause 4.2 applies where, on the date of this deed, there is any asset (including any licence, insurance or other contract) which is subject to a term which either:

- (a) prohibits the Company from creating Security over its interest in such asset or from alienating in any way the contract containing such term (the "Prohibited Asset"), or
- (b) requires the consent of any third party prior to the creation of such security or such alienation and such consent shall not have previously been obtained (the "Consent Asset"); or
- (c) provides that the lease, licence, insurance or contract containing such term shall be liable to forfeiture, irritancy or early termination if such security shall be created or such alienation shall be effected (the "Forfeiture Asset")

4.3 Each of the Prohibited Asset, the Consent Asset and the Forfeiture Asset are herein together referred to as the "Restrictive Assets"

4.4 All Restrictive Assets shall be included in the security created by clauses 3.1, 3.2 and 3.4 (and the operation of the further assurance provisions set out in clause 6) until such time as the relevant third party:

- (a) requires that the Company make application for the consent of the relevant third party to the creation of the security intended to be created by this deed (and/or the amendment or waiver of the relevant term to enable such security to be effectively created) (a "Consent Asset Request"),

- (b) (In relation to a Prohibited Asset) objects to the creation of the security intended to be created by this Deed without its consent (a "Prohibited Asset Request"); or
 - (c) (In relation to a Forfeiture Asset) indicates that he intends to take action either to forfeit or to terminate early the Forfeiture Asset or otherwise prohibit the Company from continuing to have the benefit thereof (a "Forfeiture Asset Objection").
- 4.5 On receipt of a Prohibited Asset Request, a Consent Asset Request or a Forfeiture Asset Objection, the asset shall be automatically released from the security created by clauses 3.1, 3.2 and 3.4 (and from the operation of the further assurance provisions set out in clause 6).
- 4.6 Following the operation of Clause 4.5 the Company undertakes.
- (a) within fourteen days of the Prohibited Asset Request or Consent Asset Request, to make application for the consent of the relevant third party to the creation of the security intended to be created by this deed (and/or the amendment or waiver of the relevant term to enable such security to be effectively created);
 - (b) to use all reasonable endeavours to obtain such consent as soon as possible;
 - (c) to keep the Security Trustee informed of the progress of its negotiations with such third party, and
 - (d) to notify the Security Trustee immediately that such consent is given or the relevant term amended or waived so as to permit the creation of security over the relevant asset.
- 4.7 At any time after receipt of the relevant third party's consent or the amendment or waiver of the relevant term as aforesaid, the Security Trustee may require the Company at its own expense to execute a valid legal mortgage or standard security or legal charge or assignment or assignation in respect of the Consent Asset in such form as the Security Trustee may reasonably require.

Miscellaneous

- 4.8 The fact that no or incomplete details of any particular Secured Assets are included or inserted in any relevant Schedule shall not affect the validity or enforceability of the charges created by this deed.

5 Continuing security

- 5.1 All the security granted or created by this deed is to be a continuing security which shall remain in full force and effect notwithstanding any intermediate payment or settlement of account or other matter or thing whatsoever and in particular the intermediate satisfaction by the Company or any other person of the whole or any part of the Secured Obligations
- 5.2 This security is to be in addition to and shall neither be merged in, nor in any way exclude or prejudice or be affected by any other security, right of recourse or other matter whatsoever present or future (or its invalidity) which the Security Trustee may now or at any time hereafter hold (or would apart from this security hold) from the Company or any other person for the Secured Obligations or any part of them and this security may be enforced against the Company without first having recourse to any other rights of the Security Trustee

6 Further assurance

General

- 6.1 The Company shall at its own expense promptly do all such acts and things and execute all such documents (including deeds, assignments, assignations, transfers, mortgages, charges, standard securities, notices, instructions, assurances, agreements and instruments) as the Security Trustee may reasonably require (and in such form as the Security Trustee may reasonably require) in favour of the Security Trustee or its nominee(s):
- (a) to perfect and protect (including against any change in or revised interpretation of any law or regulation) the security created (or intended to be created) under or

evidenced by this deed or for the exercise of any rights, powers and remedies of the Security Trustee or the Beneficiaries provided by or pursuant to the Finance Documents or by law; or

- (b) to confer on the Security Trustee or on the Beneficiaries security over any property or assets of the Company located in any jurisdiction equivalent or similar to the security intended to be conferred by or pursuant to this deed; or
- (c) (in its absolute discretion) to facilitate the realisation of the assets which are, or are intended to be, the subject of this deed; or
- (d) otherwise for enforcing the same or exercising any of the Security Trustee's rights, powers, authorities or discretions under this deed,

7 and the Company shall take all such action as is available to it (including the making of all filings and registrations and the payment of all fees and Taxes) as may be necessary for the creation, perfection protection, maintenance or enhancement of any security conferred or intended to be conferred on the Security Trustee or the Beneficiaries pursuant to this deed or the other Finance Documents.

- 7.1 Any security document required to be executed by the Company pursuant to this clause 7.1 will be prepared at the cost of the Company, and will be in such form and will contain such provisions as the Security Trustee may reasonably require

Land Registry

- 7.2 In relation to all present and future registered Property situated in England and Wales (and any unregistered Property subject to compulsory first registration at the date of this deed), owned by it or in which it is from time to time interested, the Company shall at the request of the Security Trustee

- (a) apply to The Land Registry on The Land Registry form RX1, for the entry of a restriction in the following terms:
 - (b) "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 [date of this deed] in favour of David McMahon referred to in the charges register or, if appropriate, signed on such proprietor's behalf by its duly authorised officer."; and
- (c) upon receipt of The Land Registry form CH2 duly completed by the Security Trustee, applying for entry of an obligation to make further advances, to file such form at The Land Registry.

- 7.3 In each case, the Company shall.

- (a) submit the relevant application no later than the date of submission of the application for registration of the mortgage of the relevant property, and
- (b) pay the Expenses incurred in connection with the application.

- 7.4 The Security Trustee, in its absolute discretion, may make any of the applications referred to in clause 7.2 in place of the Company. In such a case, the Company

- (a) consents to the entry of the relevant restriction, and
- (b) shall pay the Expenses incurred in connection with the application.

- 7.5 The Company will at its own expense do whatever the Security Trustee may reasonably require in connection with

- (a) any application by the Security Trustee (or any other relevant Beneficiary) to have this deed or any of the Finance Documents designated as an exempt information document under Land Registration Rules 2003 rule 136, and

- (b) any person's application under Land Registration Rules 2003 rule 137 for disclosure of this deed or such of the Finance Documents following its designation as an exempt information document

7.6 The Company shall notify the Security Trustee in writing

- (a) before making any application to have this deed or any of the Finance Documents designated as an exempt information document under Land Registration Rules 2003 rule 136,
- (b) as soon as it receives notice of any person's application under Land Registration Rules 2003 rule 137 for disclosure of this deed or such of the Finance Documents following its designation as an exempt information document; and
- (c) before making any application under Land Registration Rules 2003 rule 138 for removal of any such designation

Delivery of deed to Land Registry

7.7 On submitting this deed or any counterpart to The Land Registry, the Company shall on each occasion also submit a certified copy of the original and request the return of the original and upon the original being returned to it shall deliver such original to the Security Trustee.

Registration of security over Intellectual Property

7.8 The Company will, at the request of the Security Trustee and its own cost prepare, execute and lodge for registration, recording and/or filing (as the case may require) all documents and forms necessary for:

- (a) this deed and any other Security Document relating to the Intellectual Property (or requisite particulars);
- (b) the Security Trustee's interest in such Intellectual Property, present and future;
- (c) any licences or other interests affecting such Intellectual Property; and
- (d) any pending or future patents, registered designs, registered trade marks, registered service marks or applications to register any of the same in the name of the Company,

7.9 to be registered, recorded or filed (as the case may be) on the relevant register maintained by the relevant patent office or registry whether in the United Kingdom or elsewhere and shall do all acts and things necessary, including payment of fees, to give effect to such registration, recording or filing or to such future grant of patent.

7.10 The Company shall perform its obligations under clause 7.8 promptly and efficiently so as to ensure that the particulars of this deed and of the Security Trustee's interest are recorded as soon as practicable after the date of this deed but in any event within 6 months of the date of this deed and in relation to other Transaction Security Documents or any future filings or registrations of other Intellectual Property within 6 months of the date of such Transaction Security Document, or of the date of such filing, or of the Company obtaining any relevant rights.

7.11 The Company hereby appoints the Security Trustee to act as its agent, at the Company's expense, to prepare all such documents and do all things necessary, in the event that the Company fails to comply with its obligations under clause 7.8

8 Negative pledge and disposal restrictions

8.1 During the Security Period, the Company shall not, save for or in respect of the Aldermore Charge, extend or permit to subsist any security over any of its assets without the prior written consent from the Security Trustee, nor may it

- (a) sell, transfer or otherwise dispose of any of its assets on terms that they are or may be leased to or re-acquired by any member of the Group,

- (b) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
- (c) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set off or made subject to a combination of accounts, or
- (d) enter into any other preferential arrangement having a similar effect,

9 In circumstances where the arrangement or transaction is entered into primarily as a method of raising financial indebtedness or of financing the acquisition of an asset

10 Representations and warranties

Matters represented

10.1 The Company makes the representations and warranties set out in this clause 10.1 to the Security Trustee on the date of this deed:

- (a) **Status**
 - (i) It is a limited liability corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.
 - (ii) It has the power to own its assets and carry on its business as it is being conducted.
- (b) **Binding obligations**
 - (i) The obligations expressed to be assumed by it in this deed are legal, valid, binding and enforceable obligations
 - (ii) Without limiting the generality of clause 10.1(a) above, this deed creates the Security which it purports to create and that Security is valid, effective and not liable to be avoided or set aside on the Company's liquidation or administration or otherwise
- (c) **Non-conflict with other obligations**
 - (d) The entry into and performance by it of, and the transactions contemplated by, this deed do not and will not conflict with.
 - (i) any law or regulation applicable to it;
 - (ii) its constitutional documents; or
 - (iii) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument.
- (e) **Power and authority**
 - (i) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of this deed and the transactions contemplated by this deed
 - (ii) No limit on its powers will be exceeded as a result of creating any Security or giving any indemnity contemplated by this deed.
- (f) **Validity and admissibility in evidence**
 - (g) **All authorisations required or desirable**
 - (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in this deed;
 - (ii) to make this deed admissible in evidence in its jurisdiction of incorporation, and
 - (iii) to enable it to grant the Security constituted, or expressed to be constituted, by this deed and to ensure that such Security has and will have the priority and ranking which it is expressed to have in this deed,

(h) have been obtained or effected and are in full force and effect, save for the making of any appropriate registrations of this deed with the Registrar of Companies.

(l) **Ranking**

(j) Subject to the requirements specified at the end of clause 10.1(f) (Validity and admissibility in evidence) this deed creates first ranking Security in favour of the Security Trustee on behalf of the Beneficiaries.

(k) **Beneficial ownership etc**

(l) The Company is the sole legal and/or beneficial owner of the Secured Assets free from any claims, third party rights or competing interests.

(m) **No existing Security**

(n) Except for the Security constituted by this deed, no Security exists in respect of any of the Secured Assets

(o) **Repetition**

(p) Each of the representations and warranties made in this clause 10.1 and elsewhere in this deed are deemed to be repeated by the Company by reference to the facts and circumstances then existing at all times during the continuance of this deed

11 Undertakings

Duration of undertakings

11.1 The Company undertakes to the Security Trustee in the terms of the following provisions of this clause 11, all such undertakings to commence on the date of this deed and to continue throughout the Security Period.

General undertakings

11.2 (a) **Perform**

(b) It will at all times comply with the terms (express or implied) of this deed and of all contracts relating to the Secured Obligations

(c) **Not to jeopardise security**

(d) It will not do anything or allow anything to be done which may in any way materially depreciate, jeopardise or otherwise prejudice the value to the Security Trustee of the security constituted by this deed or the priority of its ranking as expressed in this deed

(e) **Maintenance**

(f) It will keep the Property and other Secured Assets which are necessary or desirable to its business in a good and substantial state of repair, working order and condition

(g) **Environmental Compliance**

(h) It will comply with all planning and environmental law and regulations relating to the Real Property and with all conditions attaching to any planning permission and with all notices issued by any planning, environmental or other public body in respect of the Real Property

Insurance

11.3 If so required in writing by the Security Trustee it will procure and promptly produce to the Security Trustee evidence satisfactory to the Security Trustee that a note of each of the Beneficiaries' respective interests is endorsed upon all Insurances maintained by the Company, and

- 11.4 It will promptly pay all premiums and other sums necessary to effect and maintain the Insurances required by this deed and will on demand produce to the Security Trustee the Insurances and evidence that the premiums and other sums have been paid

Property

- 11.5 The Company shall not, without the Security Trustee's prior written consent, allow any person other than itself to be registered under the Land Registration Act 2002 as proprietor of any of the Real Property and will not, as regard any Real Property, create or permit to arise any overriding interest within the meaning of the Land Registration Act 2002 or the Land Registration Rules 2003.

Collection of book debts etc.

- 11.6 The Company will.
- (a) not, after the date of this deed, without the prior written consent of the Security Trustee, enter into any agreement or arrangement to charge, factor, discount or assign any of the Book Debts, in favour of any other person or purport to do so,
 - (b) if directed by the Security Trustee from time to time, pursuant to the provisions of clause 3.1(j) procure that such other bank or financial institution with whom the Collection Account is maintained or where such other Bank Balances are held has received a notice in the form set out in Schedule 4 and has issued a receipt and confirmation in respect of that notice as provided in such form;
 - (c) not, following an Event of Default, without the prior consent of the Security Trustee, withdraw all or any monies from time to time standing to the credit of the Collection Account or any other Bank Balances charged to the Security Trustee pursuant to the provisions of clause 3.1(j).

Shares and other Investments

- 11.7 It will immediately upon receipt of the same deliver to the Security Trustee copies of all notices, circulars, letters, reports, accounts and other communications with shareholders relating to its holding of the Shares
- 11.8 It will pay all calls or other payments due and payable in respect of any of the Shares and if it fails to do so the Security Trustee may pay the calls or other payments on its behalf.
- 11.9 Save with the prior written consent of the Security Trustee, it will not:
- (a) take any action by or as a consequence of which the rights attaching to the Shares are altered or diluted or the issued capital of any of the companies whose Shares are charged by this deed increased;
 - (b) participate in any rights issue relating to the Shares, nor
 - (c) apply for, or consent to, the conversion of any Shares held in certificated form into uncertificated form
- 11.10 Upon any subsequent acquisition by it of Shares which are held within CREST or otherwise in uncertificated form, it will provide to the Security Trustee particulars of such Shares in which it is interested and will give such instructions and enter into such documents as the Security Trustee may reasonably require to perfect the security over such Shares created by this deed.
- 11.11 As directed by the Security Trustee from time to time, it will deliver to the Security Trustee (or as it shall direct) all bearer instruments, share certificates and other documents of title to or evidence of ownership of the Investments and/or the Distribution Rights owned by it or in which it has an interest together with (in the case of Shares, other than bearer instruments, held in certificated form) instruments of transfer in respect of each of the same executed in blank (except for the number and class of Shares and the name of the transferor) and left undated.

- 11.12 If it acquires Investments, whether pursuant to its Distribution Rights or for any other reason, after the date of this deed the provisions of clause 11.9 and the remaining provisions of this clause 11.12 shall apply to such Investments.
- 11.13 The Security Trustee may at any time if the Security Trustee reasonably considers that the security constituted by this deed is in jeopardy complete the instruments of transfer on behalf of the Company in favour of itself or such other person as it shall select, and the Company shall procure that such instruments of transfer are forthwith registered in the relevant company and that share certificates in the name of the Security Trustee and/or its nominee(s) in respect of the Shares to which such instrument of transfer relates are delivered to the Security Trustee as soon as reasonably practicable, but in any event no later than 5 days after the date upon which the Security Trustee has delivered the relevant instrument of transfer.
- 11.14 Until the occurrence of an Event of Default but not thereafter while such Event of Default is continuing
- (a) the Company will be entitled to receive and retain all dividends, distributions, interest and other monies paid on or derived from the Investments, and
 - (b) will be entitled to exercise all voting and other rights and powers attaching to the Shares, provided that it will not exercise any such voting rights or powers in a manner which would prejudice the value of, or the ability of the Security Trustee to realise, the security created by this deed, and
 - (c) shall give to the Security Trustee reasonable notice of the manner in which it proposes to exercise the rights and powers referred to in clause 11.14(b).
- 11.15 Upon the occurrence of an Event of Default and while it is continuing any dividends, distributions interest or other monies paid on or derived from the Investments will be received by the Company on trust for the Security Trustee and paid into a separate account or otherwise dealt with as directed by the Security Trustee, and the Company shall if the Security Trustee so requires thereafter exercise all voting and other rights and powers attaching to the Shares as the Security Trustee shall direct.
- 11.16 At any time when any Investments are registered in the name of the Security Trustee or its nominee and for so long as there is no Event of Default which is continuing the Security Trustee will (so far as is consistent with the security created by this deed) exercise any applicable voting or other rights and powers in accordance with the directions of the Company and account to the Company for any dividends, payments or other distributions attributable to such Investments, but upon the occurrence of an Event of Default and so long as it is continuing the Security Trustee may exercise or refrain from exercising such voting or other rights and powers as it thinks fit and may retain any such dividends, payments or other distributions, but in any case (whether or not an Event of Default has occurred) the Security Trustee will not be under any duty to ensure that any dividend, distributions or other monies payable in respect of those Investments are duly and promptly paid or received by it or its nominee or to verify that the correct amounts are paid or received by it or its nominee or to take any action in connection with the taking up of any (or any offer of any) stocks, shares, rights, monies or other property paid, distributed, accruing or offered at any time by way of interest, dividend, redemption, bonus, rights, preference, option, warrant or otherwise on or in respect of or in substitution for, any of those Investments.

Access

- 11.17 It will permit the Security Trustee and its professional advisers, agents and contractors free access at all reasonable times and on reasonable notice (at the risk and cost of the Company) to the premises, assets, books, accounts and records of the Company

Deposit of documents

- 11.18 The Company will promptly at the request of the Security Trustee deposit with the Security Trustee (or Security Trustee shall otherwise direct):
- (a) all deeds and documents of title relating to the Property including official copies of Land Registry entries, counterpart leases, licences, and any other deeds or

documents necessary or desirable to assist the Security Trustee to enforce the security created by this deed,

- (b) Insurances for the time being charged or assigned or in respect of which the Insurance Proceeds are charged or assigned pursuant to this deed; and
- (c) all such other documents relating to the Secured Assets as the Security Trustee may from time to time reasonably require.

Retention of documents

- 11.19 The Security Trustee or other depositary may retain any document delivered to it pursuant to clause 11.18 or otherwise until the Security created by this deed is released and if, for any reason, it ceases to hold any such document before such time, it may by notice to the Company require that the relevant document be redelivered to it and the Company shall immediately comply (or procure compliance) with such notice

Power to remedy

- 11.20 If the Company fails to comply with any of the covenants and undertakings set out or referred to in clauses 11.1 to 11.20 inclusive the Company will allow (and hereby irrevocably authorises) the Security Trustee and/or such persons as it shall nominate to take such action on behalf of the Company as shall be necessary to ensure that such covenants and undertakings are complied with. In particular, if the Company shall be in default of effecting or maintaining Insurances or in producing any such policy or receipt to the Security Trustee on demand all as required by clause 11.3, the Security Trustee may take out or renew such Insurances in any amount which the Security Trustee may think expedient and all money expended and costs incurred by the Security Trustee under this provision shall form part of the Secured.

Expenses

- 11.21 It will pay all Expenses within 6 Business Days of demand. If it does not do so, the Expenses will bear interest at the Default Rate from the date on which the Expenses were incurred to and including the date of actual payment.

Indemnity

- 11.22 The Company will indemnify the Security Trustee and will keep the Security Trustee indemnified against all losses and Expenses incurred by the Security Trustee as a result of a breach by the Company of its obligations under clauses 11.1 to 11.21 inclusive and in connection with the exercise by the Security Trustee of its rights contained in clause 11.20 above. All sums the subject of this indemnity will be payable by the Company to the Security Trustee within 6 Business Days of demand and if not so paid will bear interest at the Default Rate. Any unpaid interest will be compounded with Monthly rests

12 Attorney

13 The Company irrevocably and by way of security appoints the Security Trustee and every Receiver of the Secured Assets appointed under this deed and any person nominated for the purpose by the Security Trustee or any Receiver (in writing under hand signed by an officer of the Security Trustee or any Receiver) severally as its Attorney (with full power of substitution and delegation) in its name and on its behalf and as its act and deed to execute, seal and deliver (using the company seal where appropriate) and otherwise perfect and do any deed, assurance, agreement, instrument, act or thing which it ought to execute and do under the terms of this deed or which may be required or deemed proper in the exercise of any rights or powers conferred on the Security Trustee or any Receiver under this deed or otherwise for any of the purposes of this deed, provided that the power granted by this Clause 12 shall not be exercisable prior to the occurrence of an Event of Default which is continuing and the Company hereby covenants with the Security Trustee to ratify and confirm all acts or things made, done or executed by such attorney as aforesaid.

14 Enforcement and powers relating to Enforcement

Enforcement of security

14.1 For the purposes of all powers implied by the LPA or any other applicable statute, the Secured Obligations shall be deemed to have become due and payable and this deed will become immediately enforceable and the powers of the Security Trustee and any Receiver exercisable on the date of this deed, but as between the Security Trustee and the Company, the power of sale shall be exercisable only upon the occurrence of an Event of Default and for so long as it is continuing.

14.2 Upon such security becoming enforceable in accordance with clause 14.1, the power of sale conferred by Section 101 of the LPA (as varied, amended or extended by this deed) shall be immediately exercisable and the Security Trustee may without further notice:

- (a) by deed, under seal or in writing under hand signed by any officer or manager of the Security Trustee appoint any person (or persons) to be a Receiver in respect of the Secured Assets; or
- (b) take possession of all or any of the Secured Assets; or
- (c) appoint an administrator to the Company; or
- (d) in its absolute discretion enforce all or any part of such security in such other lawful manner as it thinks fit.

14.3 Section 108(1) of the LPA shall not apply to this deed

Power of Sale and other powers

14.4 The Security Trustee and any Receiver may exercise the statutory power of sale conferred by the LPA (as varied, amended and extended by this deed) on mortgagees and receivers appointed under the LPA, free from the restrictions imposed by Section 103 of the LPA, which shall not apply to the charges created by this deed.

14.5 The Security Trustee and any Receiver shall also have and enjoy all other powers, privileges, rights and protections conferred by the LPA and the Insolvency Act (each as varied, amended and extended by this deed) on mortgagees, receivers or administrative receivers unless these are expressly or by implication excluded by this deed and where there is ambiguity or conflict between the powers contained in such statutes and those contained in this deed, those contained in this deed shall prevail.

14.6 Paragraph 14 of Schedule B1 to the Insolvency Act applies to the floating charges created under this deed.

14.7 The statutory power of sale exercisable by the Security Trustee under this deed is hereby extended so as to authorise the Security Trustee to sever fixtures from the Property to which they are attached and to sell them separately from such Property

14.8 The statutory powers of leasing and accepting surrenders conferred upon the Security Trustee by the LPA (to the extent applicable) shall be extended so as to authorise the Security Trustee to lease, make agreements for leases at a premium or otherwise, accept surrenders of leases and grant options or vary or reduce any sum payable under any leases or tenancy agreements as the Security Trustee thinks fit without the need to comply with any of the provisions of Sections 99 and 100 of the LPA

14.9 All or any of the powers conferred upon mortgagees by the LPA as hereby varied, amended or extended and all or any of the rights and powers conferred by this deed on a Receiver (whether expressly or impliedly) may be exercised by the Security Trustee without further notice to the Company at any time after this security shall have become enforceable and the Security Trustee may exercise such rights and powers irrespective of whether the Security Trustee has taken possession or has appointed a Receiver of the Secured Assets.

15 Status, powers, removal and remuneration of Receiver

Agent of Company

- 15.1 Any Receiver appointed under this deed will, so far as the law permits, be the agent of the Company and the Company shall be solely responsible for his acts or defaults and for his remuneration and liable on any contracts or engagements made or entered into by him and in no circumstances whatsoever shall the Security Trustee be in any way responsible for any misconduct, negligence or default of the Receiver

General Powers

- 15.2 Any Receiver appointed under this deed in relation to the Company shall have power

- (a) to do or omit to do anything which he considers appropriate in relation to the Secured Assets; and
- (b) to exercise all or any of the powers conferred on the Receiver or the Security Trustee under this deed or conferred upon administrative receivers by the Insolvency Act (even if he is not an administrative receiver), or upon receivers by the LPA or any other statutory provision (even if he is not appointed under the LPA or such other statutory provision) and notwithstanding the liquidation of the Company

Specific powers of a Receiver

- 15.3 Without prejudice to the general powers set out or referred to in clause 15.2 a Receiver will also have the powers and discretions set out in Schedule 5.

Removal

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

Remuneration

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

Multiple Appointments

- 15.6 If at any time there is more than one Receiver of all or any part of the Secured Assets, each Receiver may exercise individually all or any of the powers conferred on a Receiver under this deed and to the exclusion of the other Receiver or Receivers (unless the document appointing such Receiver states otherwise).

Security Trustee

- 15.7 The Security Trustee may to the fullest extent permitted by law exercise all or any of the powers authorities and discretions which are conferred by this deed upon a Receiver at any time after the security conferred becomes enforceable over all or any of Secured Assets without first appointing a Receiver of such Secured Assets and notwithstanding the appointment of a Receiver of such Secured Assets.

Exclusion of statutory provisions

- 15.8 Sections 109(6) and (8) of the LPA shall not apply to a Receiver appointed under this deed.

16 Application of monies

Application - general

- 16.1 Subject to section 176A of the Insolvency Act, all monies received by the Security Trustee or any Receiver appointed under this deed shall be applied by it or him in the following order.

- (a) in payment of or provision for the losses, liabilities and Expenses incurred, and payments made, by any Enforcement Party under or in connection with this deed or the Receiver's appointment,

- (b) in payment of remuneration to the Receiver as fixed in accordance with clause 15.5;
- (c) in or towards satisfaction of the Secured Obligations in accordance with the Finance Documents; and
- (d) the surplus (if any) shall be paid to the Company or other person entitled to it.

Right of appropriation

- 16.2 Upon the occurrence of an Event of Default and at any time thereafter whilst such Event of Default is continuing, the Security Trustee shall be entitled to appropriate moneys and/or assets to the Secured Obligations in such manner or order as it thinks fit and any such appropriation shall override any appropriation by the Company.

Insurances

- 16.3 All monies received by virtue of any Insurances maintained or effected in respect of the Secured Assets shall be paid (if no application is thereby required) in repairing, replacing or reinstating the property or assets damaged or destroyed or earnings lost save that, after the occurrence of an Event of Default which is continuing any such moneys shall be paid to the Security Trustee (or if not paid by the Insurers directly to the Security Trustee shall be held on trust for the Security Trustee) and shall (subject as otherwise provided in the Finance Documents), at the option of the Security Trustee, be applied either in reduction of the Secured Obligations.

Discretion of Security Trustee

- 16.4 Any monies received or realised by the Security Trustee from the Company or from any person liable to pay the same or from a Receiver or otherwise under this deed may (subject as otherwise provided in the Finance Documents) be applied by the Security Trustee either as a whole or in such proportion as the Security Trustee shall think fit, to any item of account or liability or transaction to which they may be applicable in such order or manner as the Security Trustee may determine.

Suspense Account

- 16.5 The Security Trustee may place and keep (for such time as it shall think prudent) any money received, recovered or realised pursuant to this deed in or at a separate suspense account (without liability to account for interest thereon) for so long and in such manner as the Security Trustee may from time to time determine without having any obligation to apply such money or any part of it in or towards discharge of the Secured Obligations.

Administrator's distributions

- 16.6 Any distribution by an administrator appointed by the Security Trustee under clause 14.6 will be made in accordance with the requirements of the Insolvency Act.

17 Protection of third parties

No duty to enquire

- 17.1 No purchaser from, or other person dealing with, the Security Trustee and/or any Receiver and/or any Delegate shall be obliged or concerned to enquire
- (a) whether the right of the Security Trustee or any Receiver and/or any Delegate to exercise any of the powers conferred by this deed has arisen or become exercisable or is being properly exercised, or
 - (b) whether any of the Secured Obligations has become payable or remains outstanding or be concerned with notice to the contrary; or
 - (c) whether any event has happened to authorise the Security Trustee or any Receiver and/or any Delegate to act; or
 - (d) as to the propriety or validity of the exercise or purported exercise of any such power,

18 and the title of such a purchaser and the position of such a person shall not be impeachable by reference to any of those matters

Receipt conclusive

- 18.1 The receipt of the Security Trustee or any Receiver shall be an absolute and a conclusive discharge to a purchaser and shall relieve him of any obligation to see to the application of any monies paid to or by the direction of the Security Trustee or any Receiver.

Construction

- 18.2 In clauses 17.1 and 18.1 above "purchaser" includes any person acquiring, for money or money's worth, any lease of, or security over, or any other interest or right whatsoever in relation to, the Secured Assets.

19 Protection of Security Trustee

Obligation to Account for own receipts

- 19.1 The Security Trustee shall not be obliged to account to the Company, nor to any other person, for anything other than its own actual receipts which have not been distributed or paid to the Company or person entitled (or reasonably believed by the Security Trustee to be entitled) in accordance with the provisions of this deed.

Exclusion of liability

- 19.2 No Enforcement Party shall be liable to the Company, nor any other person, in respect of all or any part of the Secured Assets, nor for any expense, loss or liability relating to the exercise or the attempted or purported exercise of, or the failure to exercise any of, its powers, rights or privileges under or in connection with this deed (whether by it or by any officer, employee, agent, delegate, attorney or co-trustee) unless such loss or damage is caused by such Enforcement Party's (or any of its officers', employees', agents', delegates', attorneys', or co-trustees') gross negligence, fraud or wilful misconduct.
- 19.3 The Company may not take any proceedings against any officer, employee or agent of any Enforcement Party in respect of any claim it might have against such Enforcement Party or in respect of any act or omission of any kind by that officer, employee or agent in relation to this deed.
- 19.4 Any officer, employee or agent of any Enforcement Party may rely on this clause, under the provisions of the Third Parties Act.

Effect of Possession

- 19.5 Without prejudice to the generality of clauses 19.1 and 19.2, entry into possession of the Secured Assets shall not render the Security Trustee or the Receiver liable to account as mortgagee in possession and if and whenever the Security Trustee enters into possession of the Secured Assets, it shall be entitled at any time at its discretion to go out of such possession.

Defences

- 19.6 The liability of the Company under this deed and the charges contained in this deed shall not be impaired by any forbearance, neglect, indulgence, extension of time, release, surrender or loss of securities, dealing, variation or arrangement by the Security Trustee, or by any other act, event or matter whatsoever by which the liability of the Company or the charges contained in this deed would, but for this provision, have been discharged

20 Costs and expenses

Indemnity

- 20.1 The provisions of clause 8 (Indemnity) of the Security Trust Deed shall apply as if set out in full in this deed.

Default interest

- 20.2 The amounts payable under clause 20.1 shall carry default interest at the Default Rate as well after as before judgment, or decree, from the dates on which they were paid, incurred or charged by the Security Trustee or the Receiver (as the case may be) and shall form part of the Secured Obligations and accordingly shall be secured on the Secured Assets under the charges contained in this deed. All such default interest shall be compounded with Monthly rests

Tax Gross up

- 20.3 The provisions of Condition 7 (Tax) in Schedule 2 of the Loan Notes Instrument shall apply to any payments made by the Company under or pursuant to this deed.

21 Notice of subsequent charge

22 If the Security Trustee receives notice of any subsequent security or other interest affecting all or any of the Secured Assets it may open a new account or accounts for the Company in its books and if it does not do so then (unless it gives express written notice to the contrary to the Company) as from the time of receipt of such notice by the Security Trustee all payments made by the Company to the Security Trustee (in the absence of any express appropriation to the contrary) shall be treated as having been credited to a new account of the Company and not as having been applied in reduction of the Secured Obligations.

23 Delegation

24 The Security Trustee or any Receiver appointed under this deed may delegate by power of attorney or in any other manner all or any of the powers, authorities and discretions which are for the time being exercisable by the Security Trustee or such Receiver under this deed to any person or persons as it shall think fit. Any such delegation may be made upon such terms and conditions (including the power to sub-delegate) as the Security Trustee or such Receiver may think fit. Neither the Security Trustee nor such Receiver will be liable or responsible to the Company or any other person for any losses, liabilities or expenses arising from any act, default, omission or misconduct on the part of any Delegate.

25 Set-off

General set-off provisions

- 25.1 The Security Trustee may at any time after an Event of Default has occurred which is continuing (without notice to the Company):

(a) set-off or otherwise apply sums standing to the credit of any Company's accounts with the Security Trustee (irrespective of the terms applicable to such accounts and whether or not such sums are then due for prepayment or repayment to the Security Trustee);

(b) set-off any other obligations (whether or not then due for performance) owed by the Security Trustee to the Company,

26 in or towards satisfaction of the Secured Obligations.

- 26.1 The Security Trustee may exercise such rights notwithstanding that the amounts concerned may be expressed in different currencies and the Security Trustee is authorised to effect any necessary conversions at a market rate of exchange selected by it

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

27 Communications

- 27.1 Communications in writing

28 Any communications to be made under or in connection with this deed shall be made in writing and, unless otherwise stated, may be made by letter.

28.1 Addresses

29 The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each party to this deed for any communication or document to be made or delivered under or in connection with this deed is:

- (a) In the case of the Security Trustee, the address first stated against his name above
- (b) In the case of the Company, the address first stated against its name above
or any substitute address as any party may notify to the others by not less than five Business Days' notice.

29.2 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with this deed will only be effective if by way of letter, when it has been left at the relevant address or 5 Business Days after being deposited in the post (postage prepaid) in an envelope addressed to it at that address,
- (b) Any communication or document to be made or delivered to the Security Trustee will be effective only when actually received by it and then only if it is expressly marked for the attention of the department or officer identified above (or any substitute department or officer as the Security Trustee shall specify for this purpose).

30 Other miscellaneous provisions

Cumulative Powers

- 30.1 The powers which this deed confers on the Security Trustee and any Receiver appointed under this deed are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as the Security Trustee or the Receiver thinks appropriate. The Security Trustee or the Receiver may, in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever. The Company acknowledges that the respective powers of the Security Trustee and the Receiver will in no circumstances whatsoever be suspended, waived or otherwise prejudiced by anything other than an express waiver or variation in writing.

Assignment by Security Trustee

- 30.2 Save as otherwise provided in the Security Trust Deed the Security Trustee may at any time (either legally or beneficially) assign or otherwise transfer all or any part of its rights under this deed.

Further advances

- 30.3 The Security Trustee as security agent for the Beneficiaries confirms that each of the Beneficiaries must perform its obligations to the extent arising under the Finance Documents to make further advances. The security constituted by this deed has been made for securing such further advances.

Right of consolidation of mortgages

- 30.4 The restriction on the consolidation of mortgages imposed by Section 93 of the LPA (restricting the right of consolidation) shall not apply to this deed or to any security given to the Security Trustee pursuant to this deed.

Exclusion of certain powers of leasing, etc

- 30.5 During the continuance of this security the statutory and other powers of leasing, letting, entering into agreements for leases or lettings and accepting or agreeing to accept surrenders of leases or tenancies shall not be exercisable by the Company in relation to the Secured Assets.

Avoidance of settlements and other matters

- 30.6 Any payment made by the Company, or settlement or discharge between the Company and the Security Trustee, shall be conditional upon no security or payment to the Security Trustee by the Company or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any provision or enactment relating to bankruptcy, insolvency, administration or liquidation for the time being in force and accordingly (but without limiting the Security Trustee's other rights under this deed) the Security Trustee shall be entitled to recover from the Company the value which the Security Trustee has placed upon such security or the amount of any such payment as if such settlement or discharge had not occurred.
- 30.7 If the Security Trustee, acting reasonably, considers that any amount paid by the Company in respect of the Secured Obligations is capable of being avoided or ordered to be refunded or reduced for the reasons set out in clause 30.6, then for the purposes of this deed such amount shall not be considered to have been irrevocably paid.

Notice of assignment of debts

- 30.8 To the extent that the Company owes any obligation to any other member of the Group and such obligation or debt constituted thereby is charged or assigned to the Security Trustee and/or any other of the Beneficiaries pursuant to this or any other Security Document this deed constitutes notice in writing to the Company of such charge or assignment and its agreement not to exercise any right of set-off or condition in relation thereto.

Time Deposits

- 30.9 Without prejudice to the provisions of clause 25, if during the Security Period a time deposit matures on any account which the Company holds with the Security Trustee and an Event of Default has arisen which is continuing but no amount of Secured Obligations has fallen due and payable such time deposit shall be renewed for such further maturity as the Security Trustee may in its absolute discretion determine.

Perpetuity Period

- 30.10 The perpetuity period applicable to the trusts created by this deed is 125 years.

Additional currency provisions

- 30.11 All monies received or held by the Security Trustee or any Receiver under this deed may be converted into such other currency as the Security Trustee considers necessary or desirable to cover the obligations and liabilities comprised in the Secured Obligations in that other currency at the Security Trustee's set rate of exchange then prevailing for purchasing that other currency with the existing currency.
- 30.12 No payment to the Security Trustee (whether under any judgment or decree or court order or otherwise) shall discharge the obligation or liability of the Company in respect of which it was made unless and until the Security Trustee shall have received payment in full in the currency in which the obligation or liability was incurred and to the extent that the amount of any such payment shall on actual conversion into such currency fall short of such obligation or liability expressed in that currency the Security Trustee shall have a further separate cause of action against the Company and shall be entitled to enforce the security constituted by this deed to recover the amount of the shortfall.

Waiver of Immunity

- 30.13 To the extent that the Company may be entitled in any jurisdiction to claim for itself or its assets immunity from suit, execution, attachment (whether in aid of execution, before judgment or decree or otherwise) or other legal process of any kind wherever it might originate or to the extent that in any such jurisdiction there may be attributed to the Company or its assets such immunity (whether or not claimed), it hereby irrevocably agrees not to claim and hereby irrevocably waives such immunity to the fullest extent permitted by the laws of such jurisdiction.

Company Acknowledgement

- 30.14 The Company acknowledges that the Security Trustee has been appointed as security trustee under the terms of the Security Trust Deed and undertakes not in any way to do or knowingly permit to be done anything within its control that would be a breach of the terms of the Security Trust Deed.

31 Covenant to release

- 31.1 On the Discharge Date (but not otherwise save as provided for in clause 31.2 and subject to clause 30.6) the Security Trustee shall at the request and cost of the Company execute and do all deeds, acts and things as may be necessary to release the Secured Assets from the security constituted hereby or pursuant hereto

- 31.2 Prior to the Discharge Date, the Security Trustee shall at the request and cost of the Company (and subject to clause 30.6 and to any conditions imposed upon the Security Trustee by the Finance Documents) execute and do all deeds, acts and things as may be necessary to release the applicable Secured Assets from the security constituted hereby or pursuant hereto.

32 Governing law and Jurisdiction

Governing law

- 32.1 This deed is governed by English law.

Jurisdiction

- 32.2 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) (a "Dispute"). Each Party agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and accordingly no Party will argue to the contrary. This clause 32.2 is for the benefit of the Enforcement Parties only. As a result, no Enforcement Party will be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, each Enforcement Party may take concurrent proceedings in any number of jurisdictions

33 This Deed

Consideration

- 33.1 The Company has entered into this deed in consideration of the Beneficiaries agreeing to provide (or to continue to provide) finance by way of Loan Notes to it on the terms agreed in the Finance Documents.

Execution of this deed - counterparts

- 33.2 If the Parties execute this deed in separate counterparts, it will take effect as if they had all executed a single copy

Execution of this deed - formalities

- 33.3 This deed is intended to be a deed even if any Party's execution is not in accordance with the formalities required for the execution of deeds

Other security

- 33.4 This deed is in addition to, and does not operate so as in any way to prejudice or affect, or be prejudiced or affected by, any other security or guarantee which any Finance Party may now or at any time after the date of this deed hold for or in respect of the Secured Obligations.

Ownership of this deed

- 33.5 This deed and every counterpart is the property of the Security Trustee.



34 This deed is executed as a deed by the Company and is signed for and on behalf of the Security Trustee and is delivered and takes effect as a deed on the date at the beginning of this deed.

Schedule 3

Notices

Part 1: Notice by way of assignment

(For attachment by way of Endorsement to the Insurances)

TO: *[name and address of Insurer]*

Re: The policies of insurance referred to in the Schedule below (the "Policies")

We, *[name of Company]*, hereby give you notice that, by a debenture dated *[date]* (the "Debenture") and made by the Company in favour of David McMahon (the "Security Trustee") (as trustee and security agent for itself and certain investors referred to in the Debenture as the "Beneficiaries"), the Company has assigned to the Security Trustee, as first (and subsequent) priority assignee all of the respective Policies taken out by the Company or on its behalf with you as are assignable or as are capable of being assigned by law, and all their right, title and interest under and in respect of the Policies (including the benefit of all money owing or to become owing to the Company and all interest thereon) as security for certain obligations now or hereafter owed by the Company to the Security Trustee and the other Beneficiaries.

We, *[name of Company]*, hereby irrevocably and unconditionally authorise you:

- 1 to note the Security Trustee's interest as first assignee and first loss payee of the proceeds of such Policies; and
- 2 to issue a letter of undertaking, in the form attached, to the Security Trustee and to act on the instructions of the Security Trustee in the manner provided in that letter without any further reference to or authorisation from us.

Please sign and return the enclosed copy of this notice to the Security Trustee (with a copy to the Company) by way of acknowledgement of this notice and confirmation that you agree:

- (A) to the terms set out in this notice and to act in accordance with its provisions; and
- (B) to disclose to the Security Trustee without any reference to or further authority from the Company such information relating to the Policies as the Security Trustee may at any time reasonably request;
- (C) not to cancel or decline renewal of any of the Policies without giving the Security Trustee 30 days prior written notice, and
- (D) not to cancel the Policies, nor allow the Policies to lapse, at the request of the Company, without first obtaining the Security Trustee's consent.

For and on behalf of:

MHA Lighting Limited

By:

THE SCHEDULE

The Policies*

***To be completed by the Company and approved by the Security Trustee and to include all relevant policies with the named Insurer**

Name of policyholder	Policy number	Name and address of Insurer	Name and address of broker	Brief description of assets insured	Date of expiry of policy*
1.					

***Not required if policies are annually renewable**

Dated [date]

[to be endorsed on copy notice]

To: DAVID McMAHON of Hurleston Grange, Chester Road, Nantwich, Cheshire, CW5 as agent and trustee for the Beneficiaries (as referred to in a Debenture dated [date] granted to you by MHA Lighting Limited)

Copy to: MHA LIGHTING LIMITED a company registered in England and Wales with registered number 07013646 whose registered office is at 2 Station House, Station Approach, Atherton, Manchester, M46 9LJ

We hereby acknowledge receipt of the above notice and confirm our agreement to the matters set out in paragraphs A to D (inclusive) above.

Signed:.....

for and on behalf of [name of insurer]

Dated: [date]

Schedule 4

Form of notice to bank operating Collection Accounts

To [name and address of account bank] (the "Account Bank")

Dated. [date]

Dear Sirs,

Re: **Account No:** [insert account number] (the "Account")
 Account Branch [insert branch name and address]
 Account Holder: MHA Lighting Limited (the "Company")

We hereby notify you that by a debenture dated [date] (the "Debenture") made by the Company in favour of David McMahon (the "Security Trustee") the Company has charged to the Security Trustee (as trustee and security agent for itself and certain other investors referred to in the Debenture as the "Beneficiaries"), all its right, title and interest in the monies from time to time standing to the credit of the Account (and of any other accounts from time to time maintained with you by the Company) (the "Charged Account[s]") and to all interest (if any) accruing on the Charged Account[s]

We hereby irrevocably and unconditionally authorise and instruct you:

- 1 to hold all monies from time to time standing to the credit of the Charged Account[s] to the order of the Security Trustee and accordingly to pay all or any part of those monies to the Security Trustee (or as it may direct) promptly following receipt of written instructions from the Security Trustee to that effect; and
- 2 to disclose to the Security Trustee such information relating to the Company and the Charged Account[s] as the Security Trustee may from time to time request you to provide.

We also advise you that:

- (a) the Company may not withdraw any monies from the Charged Account[s] without first having produced to you the prior written consent of the Security Trustee to such withdrawal; and
- (b) the provisions of this Notice may only be revoked or varied with the prior written consent of the Security Trustee

Please sign and return the enclosed copy of this notice to the Security Trustee (with a copy to the Company) by way of your confirmation that:

- A. you agree to act in accordance with the provisions of this notice;
- B. you have not received notice that the Company has assigned its rights to the monies standing to the credit of the Charged Account[s] or otherwise granted any security or other interest over those monies in favour of any third party; and
- C. you will not exercise any right to combine accounts or any rights of set-off or lien or any similar rights in relation to the monies standing to the credit of the Charged Account[s] [except for the netting of credit and debit balances pursuant to current account netting arrangements previously approved in writing by the Security Trustee]

By counter-signing this notice the Security Trustee confirms that the Company may make withdrawals from the Charged Account[s] until such time as the Security Trustee shall notify you (with a copy to the Company) in writing that such permission is withdrawn. Such permission may be withdrawn or modified by the Security Trustee in its absolute discretion at any time.

The provisions of this notice are governed by English law.

Yours faithfully

for and on behalf of MHA Lighting Limited

Countersigned by

.....

David McMahon

To: **DAVID McMAHON** of Hurleston Grange, Chester Road, Nantwich, Cheshire, CW5 as agent and trustee for the Beneficiaries (as referred to in a Debenture dated *[date]* granted to you by MHA Lighting Limited)

Copy to: **MHA LIGHTING LIMITED** a company registered in England and Wales with registered number 07013648 whose registered office is at 2 Station House, Station Approach, Atherton, Manchester, M46 9LJ

We hereby acknowledge receipt of the above notice and confirm the matters set out in paragraphs A, B and C above.

for and on behalf of

[name and address of Account Bank]

Dated: *[date]*

Schedule 5

Receiver's specific powers

The Receiver will have full power and authority

1 Possession

- (a) to enter upon, take possession of the Secured Assets,
- (b) to collect and get in all rents, fees, charges or other income of the Secured Assets,

2 Carry on business

generally to manage the Secured Assets and to manage or carry on, reconstruct, amalgamate, diversify or concur in carrying on the business of the Company or any part of it as he may think fit,

3 Sale and disposal

without restriction, to sell, charge, grant, vary the terms or accept surrenders of, leases or tenancies of, licences to occupy, or options or franchises over or otherwise deal with and dispose of the Secured Assets or any property acquired in exercise of its powers under this deed;

4 Acquisition

- (a) to purchase or acquire any land and purchase, acquire or grant any interest in or right over land;
- (b) to take a lease or tenancy of any property required or convenient for the business of the Company or the exercise of the Receiver's powers under this deed;

5 Leases

to exercise on behalf of the Company and without the consent of or notice to the Company all the powers conferred on a landlord or a tenant by any legislation from time to time in force in any relevant jurisdiction relating to leasehold property, landlord and tenant, rents, housing or agriculture in respect of the Property,

6 Borrowing

for the purpose of exercising any of the rights, powers, authorities and discretions conferred on the Receiver by or pursuant to this deed and/or for defraying any losses or Expenses which may be incurred by him in their exercise or for any other purpose, to raise or borrow moneys from the Beneficiaries or others or incur any other liability on such terms, whether secured or unsecured, as he may think fit, and whether to rank in priority to this security or not;

7 Employment etc.

to appoint and discharge employees, officers, consultants, advisers, managers, agents, solicitors, accountants or other professionally qualified persons, workmen and others for any of the purposes of this deed or to guard or protect the Secured Assets upon such terms as to remuneration or otherwise as he may think fit and to discharge any such persons appointed by the Company prior to his appointment,

8 Legal actions and compromises

- (a) in the name of the Company, to bring, prosecute, enforce, defend and discontinue all such actions, suits and proceedings, in relation to the Company, the business of the Company or the Secured Assets as in any case he shall think fit;
- (b) to settle, adjust, refer to arbitration or expert determination, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person or body who is or claims to be a creditor of the Company or relating in any way to the Secured Assets;

9 Receipts

to give valid receipts for all moneys and execute all assurances and things which may be proper or desirable for realising the Secured Assets;

10 Works and maintenance

to obtain Authorisations for and to carry out on the Property any new works or complete any unfinished works of development, building, reconstruction, maintenance, repair, renewal, improvement, furnishing or equipment;

11 Contracts

to enter into, vary, cancel or waive any of the provisions of any contracts which he shall in any case think expedient in the interests of the Company or the Security Trustee;

12 Supplies

to purchase materials, tools, equipment, goods or supplies on such terms and at such price as the Receiver in the Receiver's absolute determination thinks fit,

13 Insurances and bonds

to insure the Secured Assets, any assets acquired by the Receiver in exercise of his powers, and any business or works, and effect indemnity insurance or other similar insurance, in every case in such amounts, against such risks and with such offices as the Receiver shall think fit, and obtain bonds and give indemnities and security to any bondsmen;

14 Severance Rights

to sever fixed plant, machinery or other fixtures and store, sell or otherwise deal with them separately from the Property to which they may be annexed;

15 Chattels

to remove, store, sell or otherwise deal with any chattels located at the Property;

16 Form company

- (a) to promote or establish any company or to acquire shares in any company (whether as a subsidiary of the Company or otherwise) to facilitate the exercise of his powers under this deed,
- (b) to transfer to any such company all or any of the Secured Assets or other assets acquired by the Receiver in exercise of his powers,
- (c) to exercise or cause to be exercised all voting and other rights attaching to, and to charge, sell or otherwise transfer any shares in any such company,

17 Voting Rights

to exercise all voting and other rights attaching to the Investments and all other stocks, shares and securities owned by the Company and comprised in the Secured Assets in such manner as he may think fit;

18 Calls

to make, or require the directors of the Company to make, calls conditionally or unconditionally on the members of the Company in respect of uncalled capital, and take action to enforce payment of unpaid calls;

19 Transaction

to carry into effect and complete any transaction,

20 Redeem security

to redeem any prior security (or procure the transfer of such security to an Enforcement Party) and settle and pass the accounts of the person entitled to the prior security so that

any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the Company and the money so paid shall be deemed to be an expense properly incurred by the Receiver;

21 General

either in the name of the Company or in the name of the Receiver to execute documents and do all other acts or things which the Receiver may consider to be incidental or conducive to any of the Receiver's powers or to the realisation or use of the Secured Assets

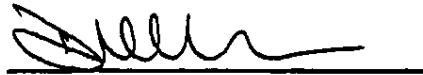
EXECUTION

THE COMPANY

**EXECUTED as a DEED by
MHA LIGHTING LIMITED**

acting by a Director:

DAVID McMAHON



Signature

In the presence of:

Signature:



Print name:

DANIEL WILLIAMS

Address:

44 HENTHERLEIGH

ST HELENS

MERSEYSIDE WA9 5SH

Occupation:

CHO

THE SECURITY TRUSTEE

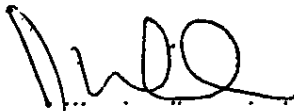
**EXECUTED as a DEED by
DAVID McMAHON**

In the presence of:



Signature

Signature



Print name:

DANIEL WILLIAMS

Address

44 HENTHERLEIGH

ST HELENS

MERSEYSIDE WA9 5SH