



Registration of a Charge

Company name: **THOMAS KEBLE SCHOOL**

Company number: **07698037**



X7Z1RBP4

Received for Electronic Filing: **11/02/2019**

Details of Charge

Date of creation: **05/02/2019**

Charge code: **0769 8037 0001**

Persons entitled: **THE SECRETARY OF STATE FOR EDUCATION**

Brief description: **FIXED CHARGE OVER ALL ITS PROPERTY.**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

**FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

WOMBLE BOND DICKINSON (UK) LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7698037

Charge code: 0769 8037 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 5th February 2019 and created by THOMAS KEBLE SCHOOL was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 11th February 2019 .

Given at Companies House, Cardiff on 12th February 2019

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Signature copy

5 February 2019

Debenture

Thomas Keble School ⁽¹⁾ and
The Secretary of State for Education ⁽²⁾

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DATE : 5 FEBRUARY 2019

PARTIES

- (1) Thomas Keble School (No. 07698037) whose registered office is at Thomas Keble School, Eastcombe, Stroud, GL6 7DY (**Chargor**).
- (2) The Secretary of State for Education as lender of Sanctuary Buildings, 20 Great Smith Street, Westminster, London, SW1P 3BT (**Lender**).

1. DEFINITIONS AND INTERPRETATION

- 1.1 The definitions and rules of interpretation in Clause 1 apply:

Authorisation	an authorisation, consent, approval, resolution, license, 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 any Chargor has, or has interest in, with any bank, financial institution, or other person (including the accounts (if any) specified in Schedule 1 (<i>Bank Accounts</i>) and any other cash cover or suspense account established pursuant to any of the Finance Documents), and all debts represented by any such amounts.
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 17 (<i>Communications</i>), in the principal financial centre in the jurisdiction in which the relevant communication is delivered.
Charged Contracts	those contracts (if any) brief particulars of which are set out in Schedule 2 (<i>Charged Contracts</i>).
Charged Debts	all book and other debts and all other rights and claims charged to the Lender under this Deed.
Chargor's Intellectual Property	the Intellectual Property owned or used by the Chargor from time to time.
Collection Account	such specially designated account with the Lender or such other account with such other bank as the Lender may from time to time direct for the purposes of Clause 7.6 (<i>Collection of Book Debts, etc.</i>).
Companies Act	the Companies Act 2006.
Delegate	any delegate, agent, attorney or trustee appointed by the Lender.
Default Rate	one percent, per annum above the highest rate of Interest ordinarily applicable to the Secured Obligations from time to time.
Discharge Date	the date with effect from which the Lender confirms to the Chargor that all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full and all relevant commitments of the Lender cancelled.
Distribution Rights	<ol style="list-style-type: none">(a) all dividends, distributions, interest and other income paid or payable on the relevant Investment or Shares;(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
	(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.
Enforcement Party	any of the Lender, a Receiver or a Delegate.
Event of Default	any failure by the Chargor to comply with any of the conditions and requirements of the Finance Documents or any breach by the Chargor of or non-compliance by the Chargor with the provisions of this Deed.
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, the preparation, negotiation and creation of this Deed, 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 Lender 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 Master Funding Agreement, the Submission for Recoverable Funding and any other document designated as such by the Lender and the Chargor.
Financial Collateral	has the meaning given to that expression in the Financial Collateral Regulations.
Financial Collateral Regulations	the Financial Collateral Arrangements (No 2) Regulations 2003 (<i>SI/2003/3226</i>).
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.
Group	any group of companies for the time being comprising the Chargor and its Subsidiaries.
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 Chargor or (to the extent of its relevant interest) in which the Chargor has an interest.
Insurance Proceeds	the proceeds of any insurance claim received by the Chargor, after deduction of any reasonable expenses incurred in relation to the relevant claim and payable by the Chargor 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 Chargor's ownership of any Insurances and all interest on any of the foregoing.

Insolvency Act	the 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, trademarks and all other intellectual property rights and interests, whether registered (or the subject of an application for registration) or un-registered, owned by the Chargor or in which the Chargor has an interest from time to time, and the benefit of the Chargor'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 Chargor including (save where the context otherwise requires) the Shares.
Interest	interest at the rate provided and calculated and compounded as agreed between the Lender and the Chargor from time to time, and if not so agreed, in accordance with the practice of the Lender from time to time both before and after judgement.
Lease	has the meaning given in Part 1 of Schedule 8 (<i>Property Warranties and Undertakings</i>).
LPA	Law of Property Act 1925.
Master Funding Agreement	the master funding agreement dated 1 August 2011 made between the Chargor and the Lender.
Party	a party to this Deed.
Property	the Real Property from time to time owned by the Chargor or in which the Chargor has an interest (including the Real Property, if any, specified in Schedule 3 (<i>Details of Property</i>) together with (in every case) all proceeds of sale deriving from any such Real Property, the benefit of all covenants given in respect of such Real Property and any monies paid or payable in respect of such covenants.
Quarter Day	the last day of December, March, June and September in each calendar year.
Real Property	any freehold, leasehold or immovable property and any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of any such property.
Receiver	any one or more receivers and managers or (if the Lender so specifies in the relevant appointment) receivers appointed by the Lender pursuant to this Deed in respect of the Chargor or in respect of the Secured Assets.
Secured Assets	the assets charged, assigned or otherwise the subject of any security created by or pursuant to this Deed and includes any part or parts of such assets.

Secured Obligations	all indebtedness and all obligations or liabilities of any kind which may now or at any time in the future be due, owing or incurred by the Chargor to the Lender, whatever their nature or basis, in any currency or currencies and however they are described together with Interest and Expenses.
Security Financial Collateral Arrangement	has the meaning given to that expression in the Financial Collateral Regulations.
Security Period	the period beginning on the date of this Deed and ending on the Discharge Date.
Shares	all shares (if any) specified in Schedule 5 (<i>Shares</i>) and also all other stocks, shares, debentures, bonds, warrants, coupons or other securities now or in the future owned by the Chargor from time to time or any in which it has an interest.
Submission for Recoverable Funding	the submission for recoverable funding from the Lender dated 9 November 2018.
Subsidiary	a subsidiary undertaking within the meaning of section 1162 of the Companies Act.
Third Parties Act	the Contracts (Rights of Third Parties) Act 1999.
VAT	value added tax as provided for in the Value Added Taxes Act 1994 and any other tax of a similar fiscal nature.

1.2 Construction

In this Deed:

1.2.1 any reference to:

- (a) the word **assets** includes present and future property, revenue, rights and interests of every kind;
- (b) 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;
- (c) 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);
- (d) 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;
- (e) 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);
- (f) the word **Property** includes a reference to each Separate Property of which particulars are set out in Schedule 3 (*Details of Property*) and to any parts of such property;
- (g) 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);

- (h) the word **security** includes any assignment by way of security, charge, lien, mortgage, pledge or other security interest securing any obligation of any person and any other agreement or arrangement having a similar effect;
- (i) the word **set-off** includes analogous rights and obligations in other jurisdictions; and
- (j) the word **tax** includes any tax, duty, impost or levy and any other charge or withholding of a similar nature (including any interest or penalty for late payment or non-payment);

- 1.2.2 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);
- 1.2.3 each reference to any **Chargor**, the **Lender** or any **Party** includes its successors in title, and its permitted assignees or permitted transferees;
- 1.2.4 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);
- 1.2.5 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 or supplemented, at that time, provided that the relevant amendment, novation or supplement does not breach any term of this Deed or of any of the Finance Documents;
- 1.2.6 each reference to the singular includes the plural and vice versa, as the context permits or requires;
- 1.2.7 the index and each heading in this Deed is for convenience only and does not affect the meaning of the words which follow it;
- 1.2.8 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;
- 1.2.9 wherever this Deed states that the Chargor must not take a particular step without the consent of the Lender, the Lender has discretion whether to give its consent and can impose conditions on any such consent it gives; and
- 1.2.10 an Event of Default is **continuing** if it has not been waived.

1.3 Third Party Rights

- 1.3.1 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 of the Finance Documents expressly provides for It to do so.
- 1.3.2 No consent of any person who is not a Party is required to rescind or vary this Deed at any time.

- 1.3.3 This Clause 1.3 does not affect any right or remedy of any person which exists, or is available, otherwise than pursuant to the Third Parties Act

1.4 Incorporation of other terms

- 1.4.1 The terms of the other Finance Documents under which the Secured Obligations arise and of any side letters between the Chargor and the Lender relating to the Secured Obligations are incorporated in this Deed 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.

- 1.4.2 This Deed is a Finance Document.

2. COVENANT TO PAY

2.1 Covenant

The Chargor hereby, as primary obligor and not merely as surety, covenants with the Lender that it will pay, discharge and perform the Secured Obligations on demand and in the manner provided in the Finance Documents.

2.2 Default Interest

Any amount which is not paid under this Deed on the due date shall bear interest (as well after as before judgment) 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 part of the Secured Obligations.

3. CHARGING CLAUSE

3.1 Grant of security

The Chargor, as a continuing security for the payment, discharge and performance of the Secured Obligations, charges as security in favour of the Lender the following assets:

3.1.1 First legal mortgage on specified land and buildings

by way of first legal mortgage all its Property (if any) identified in Schedule 3 (*Details of Property*);

3.1.2 First fixed charge on other land and buildings

by way of first fixed charge, all its Property (but excluding any Property made subject to a valid legal mortgage under Clause 3.1.1 above), all other interests in its Property, and any rights under any licence or other agreement or document which gives the Chargor a right to enter upon or use land wherever situated;

3.1.3 First fixed charge on plant and machinery

by way of first fixed charge, all plant and machinery (including those items of plant and machinery, if any, listed in respect of such Chargor in Schedule 5 (*Specifically identified chattels*)), now or in the future owned by it (but not including plant and machinery made subject to a valid legal mortgage or valid fixed charge under Clauses 3.1.1 or 3.1.2 above nor any chattels mentioned in Clause 3.1.4 below) and the benefit of all contracts, licences and warranties relating to the same;

3.1.4 First fixed charge on other chattels

by way of first fixed charge, all vehicles, computers (including those vehicles and computers, if any, listed in Schedule 5 (*Specifically identified chattels*), now or in the future owned by the Chargor and its interest in any vehicles and/or computers, in its possession (but not including any such chattels for the time being forming part of the Chargor's stock in trade or work in progress) and the benefit of all contracts, licences and warranties relating to the same;

3.1.5 First fixed charge on Investments

by way of first fixed charge, all Investments together with all Distribution Rights from time to time accruing to or on such Investments;

3.1.6 First fixed charge on Insurances

to the extent that the Insurances and/or the Insurance Proceeds are incapable for any reason of being effectively assigned pursuant to Clause 3.2.2 (*Assignment of Insurances and Insurance Proceeds*) but are capable of being effectively charged, by way of first fixed charge, the Insurances and all Insurance Proceeds either now or in the future held by, written in favour of, or payable to the Chargor or in which the Chargor is otherwise interested;

3.1.7 First fixed charge on Book Debts etc.

by way of first fixed charge, all present and future book and other debts, revenues and monetary claims of the Chargor and all rights and claims of whatever nature of the Chargor 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;

3.1.8 First fixed charge on Bank Balances

by way of first fixed charge, all of its Bank Balances;

3.1.9 First Fixed Charge on Intellectual Property

(to the extent that the Intellectual Property is incapable for any reason of being effectively assigned pursuant to Clause 3.2.3 (*Assignment of Intellectual Property*)) by way of first fixed charge, all Intellectual Property (if any) owned by the Chargor or in which the Chargor shall have an interest.

3.1.10 First Fixed Charge on Authorisations, compensation etc.

by way of first fixed charge, the benefit of all Authorisations held or utilised by the Chargor 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 Lender pursuant to this Deed; and

3.1.11 First Fixed Charge on goodwill and uncalled capital

by way of first fixed charge, all the goodwill and uncalled capital of the Chargor.

3.2 Assignment by way of security

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

3.2.1 Assignment of Charged Contracts

the Charged Contracts and also any and all damages, compensation, remuneration, profit, royalties, fees, rent or income which the Chargor may derive from or be awarded or entitled to in respect of the Charged Contracts;

3.2.2 Assignment of Insurances and Insurance Proceeds

the Insurances and the benefit of all Insurance Proceeds; and

3.2.3 Assignment of Intellectual Property

the Intellectual Property (if any) together with all damages, compensation, remuneration, profit, royalties, fees, rent or income which the Chargor 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 Lender shall grant to the Chargor 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 Lender.

3.3 Notice of assignment or charge

The Chargor shall forthwith upon receiving a request to that effect from the Lender give notice of each such assignment of its right, title and interest (if any) in and to:

3.3.1 the Insurances and Insurance Proceeds, by sending a notice in the form of Part 1 of Schedule 6 (*Notices – Insurances and Charged Contracts*) (with such amendments as the Lender may agree) duly completed to each of the other parties to the Insurances; and

3.3.2 the Charged Contracts by sending a notice in the form of Part 2 of Schedule 6 (*Notices*) (with such amendments as the Lender may agree) duly completed to each of the other parties to the Charged Contracts,

and the Chargor shall procure that within 14 days of the date of its receiving such request each such other party delivers an acknowledgement to the Lender in the form of the acknowledgement of notice contained in the notice set out in Part 1 of Schedule 6 (*Notices – Insurances and Charged Contracts*) (in the case of the Insurances and Insurance Proceeds) or in the form of the acknowledgement of notice contained in the notice set out in Part 2 of Schedule 6 (*Notices – Insurances and Charged Contracts*) (in the case of each of the Charged Contracts), in each case with such amendments as the Lender may agree. Nothing in this Clause 3.3 shall prevent the Lender from giving any notice it considers necessary or desirable in relation to the Security created over any Secured Asset.

3.4 Exercise of rights under Charged Contracts

3.4.1 Whilst no Event of Default exists and is continuing the Lender shall permit the Chargor to exercise its rights under any of the Charged Contracts to which it is party, provided that the exercise of those rights in the manner proposed would not result in an Event of Default.

3.4.2 Where an Event of Default exists and is continuing the Chargor shall exercise its rights under any of the Charged Contracts in accordance with the instructions of the Lender.

3.5 Floating charge

- 3.5.1 As further continuing security for the payment to the Lender of the Secured Obligations the Chargor hereby charges in favour of the Lender, by way of first floating charge, all its assets and undertakings whatsoever and whosoever both present and future not effectively charged by way of legal mortgage or fixed charge pursuant to the provisions of Clause 3.1 (*Fixed charges*) or effectively assigned by way of security pursuant to Clause 3.2 (*Assignment by way of security*).
- 3.5.2 The floating charge created by the Chargor pursuant to Clause 3.5.1 is a "qualifying floating charge" for the purposes of paragraph 14 of Schedule B1 to the Insolvency Act 1986.
- 3.5.3 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to this Deed and the Lender may appoint an administrator to the Chargor pursuant to that paragraph.

3.6 Conversion of floating charge

The Lender may at any time by notice in writing to the Chargor convert the floating charge created pursuant to Clause 3.5 (*Floating Charge*) into a fixed charge as regards such assets as it shall specify in the notice in the event that:

- 3.6.1 the Chargor has failed to comply with, or takes or threatens to take any action which in the opinion of the Lender is likely to result in its failing to comply with its obligations under Clause 5 (*Negative Pledge and Disposal Restrictions*); or
- 3.6.2 the Lender is of the view that:
- (a) such assets are in danger of being seized; or
 - (b) any legal process or execution is being enforced against such assets; or
 - (c) such assets are otherwise in jeopardy; or
 - (d) steps have been taken which would, in the reasonable opinion of the Lender, be likely to lead to the appointment of an administrator in relation to the Chargor (or such administrator has been appointed) or to the winding-up of the Chargor;

and by way of further assurance the Chargor shall promptly execute a fixed charge over such assets in such form as the Lender shall reasonably require.

3.7 Automatic conversion of floating charge

In addition to any circumstances in which the floating charge created by Clause 3.5 (*Floating charge*) of this Deed will crystallise automatically under the general law, and without prejudice to the operation of Clause 3.6 (*Conversion of floating charge*):

- 3.7.1 if the Chargor creates (or purports to create) any security on or over any Floating Charge Asset (other than a Permitted Security) without the prior written consent of the Lender such floating charge will automatically, without any notice being given under Clause 3.6 (*Conversion of floating charge*) and immediately upon such event occurring, be converted into a fixed charge over the relevant Floating Charge Asset; and
- 3.7.2 if the Chargor convenes any meeting of its members to consider a resolution to wind up or not to wind up such Chargor, or if a liquidator, Receiver or administrator or another similar officer is appointed in respect of the Chargor or any of its assets, such floating charge shall in like manner 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.

3.8 Continuing security

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 Chargor or any other person of the whole or any part of the Secured Obligations.

3.9 Full title guarantee and implied covenants

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.

3.10 Release

On the Discharge Date (but subject to Clause 16.7 (*Avoidance of settlements and other matters*)) the Lender shall at the request and cost of the Chargor 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.

3.11 Miscellaneous

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.

4. FURTHER ASSURANCE

4.1 General

4.1.1 The Chargor must at its own expense promptly do all such acts and things and execute such documents (including deeds, assignments, transfers, mortgages, charges, notices, instructions, assurances, agreements and instruments) as the Lender may reasonably require in favour of the Lender 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 Lender provided by or pursuant to the Finance Documents or by law; or
- (b) to confer on the Lender security over any property or assets of the Chargor 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 Lender's rights, powers, authorities or discretions under this Deed,

and the Chargor 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 Lender pursuant to this Deed.

4.1.2 Any security document required to be executed by the Chargor pursuant to Clause 4.1.1 will be prepared at the cost of the Chargor, and will be in such form and will contain such provisions as the Lender may reasonably require.

4.2 Land Registry - application for restriction

- 4.2.1 In relation to all present and future registered Property (and any other unregistered Property subject to compulsory first registration at the date of this Deed) the Chargor is to apply to the Land Registrar to enter on the register against the title number of or to be allocated to the relevant Property:

on The Land Registry form RX1, a restriction in the following terms:

"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 The Secretary of State for Education referred to in the charges register or, if appropriate, signed on such proprietor's behalf by its duly authorised officer."

- 4.2.2 The Chargor must submit the relevant applications no later than the date of submission of the application for registration of security created by this Deed and pay the Expenses incurred in connection with the applications.
- 4.2.3 The Lender, in its absolute discretion, may make any of the applications referred to in Clause 4.2.1 in place of the Chargor. In such a case, such Chargor consents to the entry of the relevant restriction and will pay the Expenses incurred in connection with the application.

4.3 Exempt information document

- 4.3.1 The Chargor must at its own expense do whatever the Lender may reasonably require in connection with:
- (a) any application by the Lender to have this Deed or the Master Funding Agreement designated 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 the Master Funding Agreement following its designation as an exempt information document.
- 4.3.2 The Chargor must notify the Lender in writing:
- (a) before making any application to have this Deed or the Master Funding Agreement designated 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 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.

4.4 Delivery of deed to Land Registry

The Chargor submitting this Deed or any counterpart to The Land Registry must on each occasion also submit a certified copy of this Deed and request the return of the original and upon the return of the original it must deliver such original to the Lender.

4.5 Registration of security over Intellectual Property

The Chargor must, at the request of the Lender and at its own cost, prepare, execute and lodge for registration, recording and/or filing (as the case may require) all documents and forms necessary for:

- 4.5.1 this Deed and any other deed executed pursuant to this Deed relating to its Intellectual Property (or requisite particulars);
- 4.5.2 the Lender's Interest in the Chargor's Intellectual Property, present and future;
- 4.5.3 any licences or other interests affecting the Chargor's Intellectual Property; and
- 4.5.4 any pending or future patents, registered designs, registered trademarks, registered service marks or applications to register any of the same in the name of the Chargor,

to be registered, recorded or filed (as the case may be) on the relevant register maintained by any 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.

- 4.5.5 The Chargor must perform its obligations under Clause 4.5.1 promptly and efficiently so as to ensure that the particulars of this Deed and of the Lender'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 deeds or any future filings or registrations of other Intellectual Property within 6 months of the date of such other deed, or of the date of such filing, or of the Chargor's obtaining any relevant rights.
- 4.5.6 The Chargor hereby appoints the Lender to act as its agent, at the Chargor's expense, to prepare all such documents and do all things necessary, in the event that the Chargor fails to comply with its obligations under this Clause 4.5.

5. NEGATIVE PLEDGE AND DISPOSAL RESTRICTIONS

5.1 Negative pledge

During the Security Period, the Chargor shall not create, extend or permit to subsist any security over any of the Secured Assets, nor may it:

- 5.1.1 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 other member of the Group;
- 5.1.2 sell, transfer or otherwise dispose of any of its receivables;
- 5.1.3 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
- 5.1.4 enter into any other preferential arrangement having a similar effect, in circumstances where the arrangement or transaction is entered into primarily as a method of borrowing monies or otherwise raising indebtedness (whether actual or contingent and whatever the nature, structure or characteristic of the arrangement or transaction under which the relevant liability arises) or of financing the acquisition of an asset.

5.2 Restrictions on disposal

During the Security Period, the Chargor shall not sell, transfer or otherwise dispose of its interest (whether legal or beneficial) over any of the:

- 5.2.1 Secured Assets (other than the Floating Charge Assets); or

5.2.2 Floating Charge Assets following crystallisation under Clause 3.6 (*Conversion of floating charge*) or 3.7 (*Automatic conversion of floating charge*).

5.3 Exceptions

Clauses 5.1 (*Negative Pledge*) and 5.2 (*Restrictions on disposals*) do not apply:

5.3.1 to the security created or required to be created by this Deed; not

5.3.2 to any security or transaction to which the Lender has given its written consent.

6. REPRESENTATIONS AND WARRANTIES

The Chargor represents and warrants to the Lender on the date of this Deed and on each day upon which any monies comprised in the Secured Obligations fall due for payment or are paid and on each Quarter Day which falls during the Security Period as follows:

6.1 Status

it is a limited liability company, duly incorporated and validly existing under the laws of England and Wales and has the power to own its assets and carry on its business and other activities as they are being conducted;

6.2 Power and enforceability

it has the power to enter into this Deed and to perform its obligations and exercise its rights under it and the obligations expressed to be assumed by it under this Deed are (and at all relevant times have been) legal, valid, binding and enforceable obligations (subject to the principle that equitable remedies are discretionary and subject to any applicable insolvency laws);

6.3 No Event of Default

6.3.1 no Event of Default has occurred or is continuing or might reasonably be expected to result from the execution of this Deed or from effect being given to its provisions; and

6.3.2 no person who holds any security of a kind mentioned in Clause 5.3 (*Exceptions*) over any asset of the Chargor has enforced or given notice of its intention to enforce such security;

6.4 Non-conflict with other obligations

neither the execution of this Deed by the Chargor, nor the Chargor's compliance with its terms will:

6.4.1 conflict with or result in any breach of any law or regulation applicable to it;

6.4.2 cause any limitation on any of its powers or on the right or ability of its directors to exercise those powers to be exceeded; nor

6.4.3 constitute a default, acceleration of payment or termination event (however described) under any agreement or instrument binding upon it;

6.5 Authorisations

all Authorisations required or desirable for the execution, delivery, issue, validity or enforceability of this Deed or of the performance of the Chargor's obligations or the exercise of its rights under this Deed have been obtained and have not been (and the Chargor is not aware of any circumstance having arisen whereby they might be) withdrawn or varied in whole or part;

6.6 Priority of security

the mortgages, charges and assignments contained in Clause 3 (*Charging clause*) constitute first priority security over the assets which are expressed to be secured by such mortgages, charges or assignments and those assets are not subject to any security;

6.7 Property

it further represents and warrants as set out in Part 2 of Schedule 7 (*Property warranties and undertakings*);

6.8 Matters affecting Shares

- 6.8.1 the Shares specified in Schedule 4 (*Shares*) are at the date of this Deed the only Shares legally and beneficially owned by the Chargor;
- 6.8.2 subject to the security created by this Deed, it is and will (save as otherwise permitted by the Master Funding Agreement) remain the sole beneficial owner of the Shares and (save where the Shares have been registered in the name of the Lender or its nominee pursuant to the provisions of this Deed and save as otherwise permitted by the Master Funding Agreement) it and/or its nominee is and will remain the absolute legal owner of the Shares;
- 6.8.3 the Shares are fully paid and neither the Shares nor the Distribution Rights are subject to any lien, charge, equity, encumbrance, option to purchase or similar rights of any person other than the Lender; and
- 6.8.4 the Lender is entitled to be registered or to require a nominee to be registered as member of each of the relevant companies to which such Shares relate without any right of the board of directors of any such company to refuse registration or to consent to such registration only subject to satisfaction of conditions.

7. UNDERTAKINGS

The Chargor undertakes to the Lender in the terms of the following provisions of this Clause 7, all such undertakings to commence on the date of this Deed and to continue throughout the Security Period:

7.1 Perform

it will at all times comply with the terms (express or implied) of this Deed and of all contracts relating to the Secured Obligations;

7.2 Maintenance

it will keep the Property and other Secured Assets in a good and substantial state of repair, working order and condition;

7.3 Insurance

except to the extent that it is provided otherwise in paragraph 8 (*Insurance*) of Part 3 of Schedule 8 (*Property warranties and undertakings*):

- 7.3.1 it will obtain, maintain and renew (all at its own expense) insurance indemnity or similar cover with reputable insurance companies or underwriters in respect of its business and assets against such risks and to the extent as is usual for companies carrying on the same or substantially similar business (and if applicable in accordance with the recommendations of any insurance report delivered to the Lender in contemplation of or at or around the date of this Deed));

- 7.3.2 it will procure and promptly produce to the Lender evidence satisfactory to the Lender that the Insurances are in the names of the Chargor and the Lender as co-insured; and
- 7.3.3 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 Lender the Insurances and evidence that the premiums and other sums have been paid;

7.4 Maintain Intellectual Property

- 7.4.1 it will observe and perform all covenants and stipulations from time to time affecting the Intellectual Property or the mode of user or the enjoyment of the same, make all payments, carry out all registrations or renewals and generally take all such steps as may be necessary to preserve, maintain and renew when necessary or desirable all Intellectual Property;
- 7.4.2 it will not do (or fail to do) anything or permit anything to be done, if that might infringe any Intellectual Property owned or used by it or affect the existence or value of any such Intellectual Property or its right or ability to use it;

7.5 Property

it will comply with the provisions of Part 3 of Schedule 8 (*Property warranties and undertakings*);

7.6 Collection of book debts, etc.

it will:

- 7.6.1 collect (as agent for the Lender) all Charged Debts and pay into such specially designated account with the Lender or such other account with such other bank as the Lender may from time to time direct all money which it shall receive in respect of such Charged Debts forthwith on receipt and pending such payment it will hold all such money upon trust for the Lender;
- 7.6.2 not, without the prior written consent of the Lender, charge, factor, discount or assign any of the Charged Debts, in favour of any other person or purport to do so;
- 7.6.3 where the Collection Account attributable to it is not maintained with the Lender in its capacity as Lender but with the Lender in some other capacity or with some other bank or financial institution, and where any other Bank Balances are charged to the Lender pursuant to the provisions of Clause 3.1.8 (*First fixed charge on Bank Balances*), procure that the Lender (if such account is maintained with the Lender in some other capacity than as Lender) or such other bank or financial institution with whom the Collection Account attributable to it is maintained or where such other Bank Balances are held has received a notice in the form set out in Schedule 7 (*Form of notice to bank operating secured account*) and has issued a receipt and confirmation in respect of that notice as provided in such form; and
- 7.6.4 not, without the prior consent of the Lender, withdraw all or any monies from time to time standing to the credit of the Collection Account attributable to it.

7.7 Shares and other Investments

- 7.7.1 it will immediately upon receipt of the same deliver to the Lender copies of all notices, circulars, letters, reports, accounts and other communications with shareholders relating to its holding of the Shares;
- 7.7.2 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 Lender may pay the calls or other payments on its behalf;
- 7.7.3 save with the prior written consent of the Lender, 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;
- 7.7.4 forthwith upon execution of this Deed or upon any subsequent acquisition by it of Shares which are held within CREST or otherwise in uncertificated form, it will provide to the Lender particulars of such Shares in which it is interested and will give such instructions and enter into such documents as the Lender may reasonably require to perfect the security over such Shares created by this Deed;
- 7.7.5 forthwith upon execution of this Deed or upon any subsequent acquisition by it it will deliver to the Lender (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;
- 7.7.6 the Lender may at any time following the occurrence of an Event of Default which is continuing if the Lender reasonably considers that the security constituted by this Deed is in jeopardy complete the instruments of transfer in respect of any or all Investments on behalf of the Chargor in favour of itself or such other person as it shall select, and the Chargor shall procure that such instruments of transfer are forthwith registered and that share certificates in the name of the Lender and/or its nominee(s) in respect of the Investments to which such instrument of transfer relates are delivered to the Lender as soon as reasonably practicable, but in any event no later than 5 days after the date upon which the Lender has delivered the relevant instrument of transfer;
- 7.7.7 until the occurrence of an Event of Default but not thereafter while such Event of Default is continuing:
 - (a) the Chargor will be entitled to receive and retain all dividends, distributions, interest and other monies paid on or derived from the Investments;
 - (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 Lender to realise, the security created by this Deed; and
 - (c) shall give to the Lender reasonable notice of the manner in which it proposes to exercise the rights and powers referred to in Clause 7.7.7(b);
- 7.7.8 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 Chargor on trust for the Lender and paid into a separate account or otherwise dealt with as directed by the Lender, and the Chargor shall if the Lender so requires thereafter exercise all voting and other rights and powers attaching to the Shares as the Lender shall direct;
- 7.7.9 at any time when any Investments are registered in the name of the Lender or its nominee and for so long as there is no Event of Default which is continuing the Lender 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 Chargor and account to the Chargor 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 Lender 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 the Lender 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;

7.8 Charged Contracts

it will:

- 7.8.1 perform all its obligations under the Charged Contracts in a diligent and timely manner;
- 7.8.2 not make or agree to make any amendments or modifications to the Charged Contracts or waive any of its rights under the Charged Contracts or exercise any right to terminate any of the Charged Contracts except with the prior written consent of the Lender;
- 7.8.3 promptly inform the Lender of any material disputes relating to the Charged Contracts;

7.9 Access

it will permit the Lender and its professional advisers, agents and contractors free access at all reasonable times and on reasonable notice (at the risk and cost of such Chargor to the premises, assets, books, accounts and records of such Deposit of documents.

it will promptly at the Lender's request deposit with the Lender (or as the Lender directs):

- 7.9.1 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 Lender to enforce the security created by this Deed;
- 7.9.2 policies of insurance in respect of which the proceeds of any claims are assigned or charged pursuant to this Deed; and
- 7.9.3 all such other documents relating to the Secured Assets as the Lender may from time to time reasonably require;

7.10 Retention of documents

the Lender may retain any document delivered to it until the Discharge Date and if, for any reason it ceases to hold any such document before such time, it may by notice to the Chargor require that the relevant document be redelivered to it and the Chargor must immediately comply (or procure compliance) with such notice;

7.11 Power to remedy

if the Chargor fails to comply with any of the covenants and undertakings set out or referred to in Clauses 7.1 to 7.10 inclusive and Part 3 of Schedule 8 (*Property warranties and undertakings*) it will allow (and hereby irrevocably authorises) the Lender and/or such persons as the Lender nominates to take such action (including the making of payments) on behalf of the Chargor as is necessary to ensure that such covenants are complied with;

7.12 Expenses

it will pay all Expenses on demand. If it does not do so, the Expenses will bear Interest at the Default Rate from and including the date of demand to and including the date of actual payment; and

7.13 Indemnity

it will indemnify the Lender and will keep the Lender indemnified against all losses and Expenses incurred by the Lender as a result of a breach by the Chargor of its obligations under Clauses 7.1 to 7.10 inclusive and Part 3 of Schedule 8 (*Property warranties and undertakings*) and in connection with the exercise by the Lender of its rights contained in Clause 7.11 above (*Power to remedy*). All sums the subject of this indemnity will be payable by the Chargor to the Lender on demand and if not so paid will bear interest at the Default Rate. Any unpaid interest will be compounded with monthly rests.

8. ENFORCEABILITY

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 Lender and any Receiver will become exercisable on the date of this Deed, but, as between the Lender and the Chargor, the power of sale shall be exercisable only upon the occurrence of an Event of Default and for so long as it is continuing (unless there has been a request from the Chargor to the Lender for the appointment of a Receiver, in which case it will be exercisable at any time following the making of such request).

9. ENFORCEMENT OF SECURITY

9.1 At any time after the Lender's power of sale has become exercisable, the Lender may without further notice:

9.1.1 appoint one or more than one Receiver in respect of the Secured Assets or any of them and if more than one Receiver is appointed the Receiver may act jointly and severally or individually; or

9.1.2 take possession of the Secured Assets; or

9.1.3 in its absolute discretion enforce all or any part of the security created by this Deed in such other lawful manner as it thinks fit.

9.2 The Lender may remove the Receiver and appoint another Receiver and the Lender may also appoint an alternative or additional Receiver.

9.3 The Receiver will, so far as the law permits, be the agent of the Chargor and the Chargor alone will be responsible for the acts or defaults of the Receiver and will be liable on any contracts or obligations made or entered into by the Receiver. The Lender will not be responsible for any misconduct, negligence or default of the Receiver.

9.4 The powers of the Receiver will continue in full force and effect following the liquidation of the Chargor.

9.5 The remuneration of the Receiver may be fixed by the Lender but will be payable by the relevant Chargor. The amount of the remuneration will form part of the Secured Obligations.

9.6 The Receiver will have the power on behalf and at the cost of the Chargor:

9.6.1 to do or omit to do anything which he considers appropriate in relation to the Secured Assets; and

- 9.6.2 to exercise all or any of the powers conferred on the Receiver or the Lender 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).
- 9.7 Without prejudice to the general powers set out in Clause 9.6 a Receiver will also have the powers and discretions set out in Schedule 9 (*Receiver's specific powers*).
- 9.8 The Lender or any Receiver may sever any Fixtures from the Property and sell them apart from the Property without taking possession of the Property and apply the net proceeds of such sale in or towards satisfaction of the Secured Obligations.
- 9.9 If the Lender or the Receiver obtains possession of the Property, the Lender or the Receiver may use and remove, store or sell any chattels on the Property, whether or not forming part of the Secured Assets, without being under any liability to the Chargor other than to account for their net proceeds of the sale. All Expenses and liabilities incurred by the Lender or the Receiver in connection with the removal, storage and sale of such chattels will form part of the Secured Obligations.
- 9.10 If (notwithstanding any representation or warranty to the contrary contained in this Deed) there shall be any security affecting the Secured Assets or any of them which ranks in priority to the security created by this Deed and the holder of such prior security takes any steps to enforce such security, the Lender or any Receiver may, at its option, take a transfer of, or repay the indebtedness secured by, such security.
- 9.11 The Lender may, at any time after this Deed has become enforceable pursuant to Clause 8 (*Enforceability*), exercise, to the fullest extent permitted by law, all or any of the powers authorities and discretions conferred on a Receiver by this Deed, whether as attorney of the Chargor or otherwise and whether or not a Receiver has been appointed.
- 9.12 The Lender may, in writing, either in its appointment of a Receiver or by subsequent notice to that Receiver, restrict the right of such Receiver to exercise all or any of the powers conferred on Receivers by this Deed.
- 9.13 Paragraph 14 of Schedule B1 to the Insolvency Act applies to the floating charges created under this Deed.

10. RIGHT OF APPROPRIATION

10.1 To the extent that:

- 10.1.1 the Secured Assets constitute Financial Collateral; and
- 10.1.2 this Deed and the obligations of the Chargor under it constitute a Security Financial Collateral Arrangement,

the Lender shall have the right, at any time after the security constituted by this Deed has become enforceable, to appropriate all or any of those Secured Assets in or towards the payment or discharge of the Secured Obligations in any order that the Lender may, in its absolute discretion, determine.

10.2 The value of any Secured Assets appropriated in accordance with this clause shall be:

- 10.2.1 in the case of cash, the amount standing to the credit of each of the Chargor's accounts with any bank, financial institution or other person, together with all interest accrued but unposted, at the time the right of appropriation is exercised; and
- 10.2.2 in the case of Investments, the price of those Investments at the time the right of appropriation is exercised as listed on any recognised market index or determined by any other method that the Lender may select (including independent valuation).

- 10.3 The Chargor agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations.

11. APPLICATION OF PROCEEDS

11.1 Recoveries by Receiver

The proceeds arising from the exercise of the powers of the Receiver will, subject to any claims ranking in priority to the Secured Obligations, be applied by or at the direction of the Receiver in or towards discharging or satisfying, in the following order of priority:

- 11.1.1 the costs, charges and expenses of and incidental to the Receiver's appointment and the payment of his remuneration;
- 11.1.2 any costs, charges, expenses and liabilities of or incurred by any Enforcement Party in the exercise of any of its powers including all rents, taxes, rates and outgoings whatever affecting the Secured Assets, all premiums on Insurances properly payable under this Deed or any applicable statute, the cost of executing necessary or proper repairs to the Secured Assets, and the payment of annual sums or other payments, and the interest on all principal sums, having priority to the Secured Obligations;
- 11.1.3 the Secured Obligations, in accordance with the provisions of the Finance Documents and otherwise in such order as the Lender may determine; and
- 11.1.4 the claims of those persons entitled to any surplus.

11.2 Right of appropriation

The Lender is entitled to appropriate money and/or assets to Secured Obligations in such manner or order as it thinks fit and any such appropriation shall override any appropriation by any Chargor.

11.3 Suspense Account

The Lender may place (for such time as it thinks prudent) any money received by it pursuant to this Deed to the credit of a separate or suspense account (without liability to account for interest thereon) for so long and in such manner as the Lender may from time to time determine without having any obligation to apply that money or any part of it in or towards discharge of the Secured Obligations.

12. PROTECTION OF THIRD PARTIES

12.1 No duty to enquire

A buyer from, tenant or other person dealing with any Enforcement Party will not be concerned to enquire whether any of the powers which it has exercised or purported to exercise has arisen or become exercisable and may assume that it is acting in accordance with this Deed.

12.2 Receipt conclusive

The receipt of the Lender or any Receiver shall be an absolute and a conclusive discharge to a purchaser of the Secured Assets and shall relieve him of any obligation to see to the application of any monies paid to or by the direction of the Lender or any Receiver.

13. PROTECTION OF LENDER

13.1 Lender's receipts

The Lender shall not be obliged to account to the Chargor, nor to any other person, for anything other than its own actual receipts which have not been distributed or paid to the person entitled (or who the Lender, acting reasonably, believes to be entitled) in accordance with the requirements of this Deed.

13.2 Exclusion of liability

13.2.1 No Enforcement Party will be liable to the Chargor for any expense, loss liability or damage incurred by the Chargor arising out of the exercise of its rights or powers or any attempt or failure to exercise those rights or powers, except for any expense, loss, liability or damage arising from its gross negligence, fraud or wilful misconduct.

13.2.2 The Chargor 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.

13.2.3 Any officer, employee or agent of any Enforcement Party may rely on this Clause 13 under the Third Parties Act.

13.3 Effect of possession

If the Lender or any Receiver enters into possession of the Secured Assets or any of them, this will not oblige either the Lender or the Receiver to account as mortgagee in possession, and if the Lender enters into possession at any time of the Secured Assets or any of them it may at any time at its discretion go out of such possession.

13.4 Chargor's indemnity

The Chargor agrees with the Lender to indemnify the Lender and any Receiver or Delegate on demand against any costs, loss or liability incurred by any of them in respect of:

13.4.1 any exercise of the powers of the Lender or the Receiver or any attempt or failure to exercise those powers; and

13.4.2 anything done or omitted to be done in the exercise or purported exercise of the powers under this Deed or under any appointment duly made under the provisions of this Deed.

14. POWER OF ATTORNEY

14.1 Grant of power

The Chargor irrevocably and by way of security appoints the Lender and each Receiver and any person nominated for the purpose by the Lender or the Receiver (in writing, under hand, signed by an officer of the Lender or by the Receiver) severally to be the attorney of such Chargor (with full power of substitution and delegation) for the purposes set out in Clause 14.2 below.

14.2 Extent of power

The power of attorney granted in Clause 14.1 above allows the Lender, the Receiver or such nominee, in the name of the Chargor, on its behalf and as its act and deed to:

14.2.1 perfect the security given by the Chargor under this Deed; and

- 14.2.2 execute, seal and deliver (using the Chargor's seal where appropriate) any document or do any act or thing which the Chargor may, ought or has agreed to execute or do under this Deed or which the Lender, the Receiver, or such nominee may in their absolute discretion consider appropriate in connection with the exercise of any of the rights, powers, authorities or discretions of the Lender or the Receiver under, or otherwise for the purposes of, this Deed.

14.3 Ratification

The Chargor covenants with the Lender to ratify and confirm all acts or things made, done or executed by any attorney exercising or purporting to exercise the powers conferred in accordance with this Clause 14.

15. APPLICATION, VARIATION AND EXTENSION OF STATUTORY PROVISIONS

15.1 Application of statutory covenants

The covenants set out in sections 2 to 5 of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to bind the Chargor only if, in any case, the relevant covenant imposes upon the Chargor a burden, liability or obligation that would not otherwise arise under this Deed.

15.2 Conditions applicable to power of sale etc.

- 15.2.1 For the purposes only of section 101 of the LPA, (but otherwise subject to the provisions of Clause 8 (*Enforceability*)), the conditions set out in that section as to when such powers arise do not apply and the Secured Obligations become due and the statutory power of sale and other powers of enforcement arise immediately following the execution of this Deed; and
- 15.2.2 the Lender and any Receiver may exercise the statutory power of sale conferred by the LPA free from the restrictions imposed by section 103 of the LPA, which shall not apply to this Deed.

15.3 Extension of powers of sale, etc.

- 15.3.1 The power of sale and the other powers conferred by the LPA or otherwise are extended and varied to authorise the Lender in its absolute discretion to do all or any of the things or exercise all or any of the powers which a Receiver is empowered to do or exercise under this Deed.
- 15.3.2 The Lender and any Receiver shall also have and enjoy all the other powers, privileges, rights and protections conferred by the LPA and the Insolvency Act on mortgagees, receivers or administrative receivers (each as amended and extended by this Deed and whether or not a receiver or administrative receiver has been appointed) but so that if there is any ambiguity or conflict between the powers contained in such statutes and those contained in this Deed, those contained in this Deed shall prevail.

15.4 Consolidation of mortgages

The restriction on the consolidation of mortgages in Section 93 of the LPA does not apply to this Deed nor to any security given to the Lender pursuant to this Deed.

15.5 Powers of leasing, etc. - Chargor

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 Chargor in relation to the Secured Assets or any part thereof.

15.6 Powers of leasing, etc. - Lender

The restrictions on the powers of the Lender or the Receiver to grant leases or to accept the surrender of leases in sections 99 and 100 of the LPA do not apply to this Deed.

15.7 LPA provisions relating to appointment of Receiver

Section 109(1) of the LPA shall not apply to this Deed.

15.8 Application of proceeds

Sections 105, 107(2), 109(6) and 109(8) of the LPA will not apply to the Lender nor to a Receiver appointed under this Deed.

16. PROTECTION OF SECURITY

16.1 Powers, rights and remedies cumulative

The powers, rights and remedies provided in this Deed are in addition to (and not instead of) powers, rights and remedies under law.

16.2 Exercise of powers, rights and remedies

If an Enforcement Party fails to exercise any power, right or remedy under this Deed or delays its exercise of any power, right or remedy, this does not mean that it waives that power, right or remedy. If an Enforcement Party exercises, or partly exercises, a power, right or remedy once, this does not mean that it cannot exercise such power right or remedy again, fully or in part.

16.3 Discretion

16.3.1 The Lender may decide:

- (a) whether and, if so, when, how and to what extent (i) to exercise its rights under this Deed and (ii) to exercise any other right it might have in respect of the Chargor (or otherwise); and
- (b) when and how to apply any payments and distributions received for its own account under this Deed, and the Chargor has no right to control or restrict the Lender's exercise of this discretion.

16.3.2 No provision of this Deed will interfere with the Lender's right to arrange its affairs as it may in its absolute discretion decide (nor oblige it to disclose any information relating to its affairs), except as expressly stated.

16.4 Set-off and combination of accounts

16.4.1 No right of set-off or counterclaim may be exercised by the Chargor in respect of any payment due to the Lender under this Deed.

16.4.2 The Lender may at any time after this Deed has become enforceable and without notice to the Chargor:

- (a) combine or consolidate all or any of the Chargor's then existing accounts with, and liabilities to, the Lender;
- (b) set off or transfer any sums standing to the credit of any one or more of such accounts; and/or

- (c) set-off any other obligation owed by the Lender to the Chargor (whether or not matured at such time), in or towards satisfaction of any of the Secured Obligations. The Lender is to notify the Chargor in writing that such a transfer has been made.
- (d) If any amount is in a different currency from the amount against which it is to be set off, the Lender may convert either amount (or both) at any reasonable time and at any reasonable rate.

16.5 Power to establish new account

If the Lender receives notice of a subsequent mortgage or charge relating to the Secured Assets, it will be entitled to close any account and to open a new account in respect of the closed account. If the Lender does not open such new account, it will in any event be treated as if it had done so at the time when it received such notice.

16.6 Information

The Chargor authorises the holder of any prior or subsequent security to provide to the Lender, and the Lender to receive from such holder, details of the state of account between such holder and the Chargor.

16.7 Avoidance of settlements and other matters

- 16.7.1 Any payment made by the Chargor, or settlement or discharge between the Chargor and the Lender, is conditional upon no security or payment to the Lender by the Chargor 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 Lender's other rights under this Deed) the Lender shall be entitled to recover from the Chargor the value which the Lender has placed upon such security or the amount of any such payment as if such payment, settlement or discharge had not occurred.
- 16.7.2 If the Lender, acting reasonably, considers that any amount paid by the Chargor 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 16.8, then for the purposes of this Deed such amount shall not be considered to have been irrevocably paid.

16.8 Time Deposits

Without prejudice to the provisions of Clause 16.4 (*Set-off and combination of accounts*), if during the Security Period a time deposit matures on any account which the Chargor holds with the Lender 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 Lender may in its absolute discretion determine.

17. COMMUNICATIONS

- 17.1 Each notice, consent and other communication in respect of this Deed will be effective only if made by letter or fax, delivered to the relevant address or fax number specified on the execution page(s) of this Deed (or to any substitute address or fax number notified in writing by the relevant Party for this purpose) and marked for the attention of the specified department/individual, if applicable. Each communication by letter will be effective only if delivered by hand, sent by first class post (if sent from and to an address in the UK) or sent by airmail (if sent from or to an address elsewhere).
- 17.2 Each communication will become effective as follows (references to times are to times in the place of delivery of the communication):

- 17.2.1 a hand-delivered letter will be effective as soon as it is delivered (or, if it is delivered after 5pm or on a day that is not a Business Day, it will be effective at 9am on the next Business Day);
- 17.2.2 a letter sent by post from and to an address in the UK will be effective at 9am on the second Business Day after it is posted and a letter sent by airmail from or to an address elsewhere will be effective at 9am on the tenth Business Day after it is posted;
- 17.2.3 a fax will be effective one hour after the sending fax machine (or other system) generates a confirmation that the communication has been sent in full (or, if this occurs after 5pm or on a day that is not a Business Day, it will be effective at 9am on the next Business Day); and
- 17.2.4 each communication to the Lender will become effective only when actually received by the Lender.

18. ASSIGNMENT AND TRANSFER

18.1 No assignment by the Chargor

The Chargor shall not assign, novate or otherwise deal with its rights or obligations under or interests in this Deed, except with the prior written consent of the Lender.

18.2 Transfer by Lender

- 18.2.1 Save as otherwise provided in the Master Funding Agreement, the Lender may at any time assign, novate or otherwise deal with any rights or obligations under or interests in this Deed.
- 18.2.2 The Lender may disclose any information about the Chargor, the Secured Assets and/or this Deed to any person to whom it proposes to assign, novate or transfer (or has assigned, novated or transferred) any rights or obligations under or interests in this Deed, or with whom it proposes to enter into (or has entered into) any other dealings in relation to any such rights, obligations or interests.
- 18.2.3 Any person to whom the benefit of all such rights has been transferred, subject to such obligations, may enforce this Deed in the same way as if it had been a Party instead of the Lender.
- 18.2.4 If the Lender transfers part only of its rights in respect of the Secured Obligations to any person, then this Deed shall thereupon be deemed to have been entered into by the Lender and such other person.

19. GOVERNING LAW AND SERVICE OF PROCESS

19.1 Governing law

This Deed is governed by English law.

19.2 Jurisdiction

- 19.2.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed) (a "**Dispute**"). Each Party agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and accordingly neither Party will argue to the contrary. This Clause 19.2.1 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.

20. THIS DEED

20.1 Consideration

The Chargor has entered into this Deed in consideration of the Lender agreeing to provide (or to continue to provide) finance facilities to it on the terms agreed between in the Finance Documents.

20.2 Execution of this Deed - counterparts

If the Parties execute this Deed in separate counterparts, this Deed will take effect as if they had all executed a single copy.

20.3 Execution of this Deed - formalities

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.

20.4 Amendments and waivers

Any provision of this Deed may be amended only if the Lender and the Chargor so agree in writing and any breach of this Deed may be waived before or after it occurs only if the Lender so agrees in writing. A waiver given or consent granted by the Lender under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

20.5 Partial invalidity

20.5.1 If, at any time, any provision of this Deed is or is found to have been illegal, invalid or unenforceable in any respect under the law of any jurisdiction, this does not affect the legality, validity or enforceability of the other provisions of this Deed, nor the legality, validity or enforceability of the affected provision under the law of any other jurisdiction.

20.5.2 If any Party is not bound by this Deed (or any part of it) for any reason, this does not affect the obligations of each other Party under this Deed (or under the relevant part).

20.6 Other security

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 the Lender may now or at any time after the date of this Deed hold for or in respect of the Secured Obligations.

20.7 Ownership of this Deed

This Deed and every counterpart is the property of the Lender.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

SCHEDULE 1

Bank accounts

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SCHEDULE 2

Charged contracts

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SCHEDULE 3

Details of property

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SCHEDULE 4

Shares

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SCHEDULE 5

Specifically identified chattels

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SCHEDULE 6

Notices

Part 1

Notice 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 (Policies)

We, [Chargor] (**Chargor**), hereby give you notice that, by a debenture dated [date] (**Debenture**) and made by the Chargor in favour of [Lender] (**Lender**), the Chargor has assigned to the Lender, as first priority assignee all of the respective Policies taken out by the Chargor 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, but not limited to, the benefit of all sums assured by the Policies and all bonuses, profits, returns of premium and other benefits of whatever nature arising by virtue of the Chargor's ownership of the Policies and all interest on any of the foregoing)) as security for certain obligations now or hereafter owed by the Chargor to the Lender.

We hereby irrevocably and unconditionally authorise you:

- to note the Lender's interest as first assignee and sole loss payee of the proceeds of such Policies; and
- to issue a letter of undertaking, in the form attached, to the Lender and to act on the instructions of the Lender 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 Lender (with a copy to the Chargor) 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;
 - (B) to disclose to us without any reference to or further authority from the Chargor such information relating to the Policies as we may at any time reasonably request;
 - (C) not to cancel or decline renewal of any of the Policies without giving us 30 days prior written notice; and
 - (D) not to cancel the Policies, nor allow the Policies to lapse, at the request of the Chargor, without first obtaining our consent.

For and on behalf of: [Chargor]

By:

The Policies*

	Policy number	Name and address of insurer	Name and address of broker	Brief description of assets insured	Date of expiry of policy
1	[number]				
2	[number]				
3	[number]				
4	[number]				
5	[number]				

*To be completed by the Chargor and approved by the Lender and to include all relevant policies with the named Insurer

Dated [date]

[to be endorsed on copy notice]

To: [name and address of Lender]

Copy to: [name and address of Chargor]

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]

Part 2

Form of notice to counterparties of Charged Contracts

To: [name and address of counterparty]

Dated: [date]

Dear Sirs,

[here identify relevant Charged Contract] [**Contract**] made between (1) [Chargor] (**Chargor** and (2) [here insert name of counterparty]

We [*Chargor*] hereby notify you that by a debenture dated [*date*] (**Debenture**) made by the Chargor in favour of [*Lender*] (**Lender**), the Chargor has assigned to the Lender as first priority chargee and assignee all of the Chargor's rights, title and interest in the Contract as security for certain obligations now or hereafter owed by the Chargor to the Lender.

We further notify and irrevocably and unconditionally instruct and authorise you that:

1. the Chargor may not agree to amend, modify or terminate the Contract without the prior written consent of the Lender;
2. subject to paragraph 1 above, you may continue to deal with the Chargor in relation to the Contract until you receive written notice to the contrary from the Lender. Thereafter the Chargor will cease to have any right to deal with you in relation to the Contract and therefore from that time you should deal only with the Lender;
3. you are authorised to disclose information in relation to the Contract to the Lender on request without any enquiry by you as to the justification for such disclosure or reference to or further authority from the Chargor;
4. you must pay or release all monies to which the Chargor is entitled under the Contract direct to the Lender (and not to the Chargor) unless the Lender otherwise agrees in writing;
5. you must supply copies of all notices and other information under the Contract to the Lender; and
6. the provisions of this notice may only be revoked with the written consent of the Lender.

Please sign and return the enclosed copy of this notice to the Lender (with a copy to the Chargor) by way of confirmation that:

- (a) you agree to the terms set out in this notice and to act in accordance with its provisions; and
- (b) you have not received notice that the Chargor has assigned its rights under the Contract to a third party or created any other interest (whether by way or security or otherwise) in the Contract in favour of a third party.

The provisions of this notice are governed by English law.

Yours faithfully, for and on behalf of [*Chargor*]

[to be endorsed on copy notice]

To: [name and address of Lender]

Copy to: [name and addresses of Chargor]

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

Signed.

for and on behalf of [name of counterparty]

Dated: [date]

SCHEDULE 7

Form of notice to bank operating secured account

To: [name and address of account bank] (**Account Bank**)

Dated: [date]

Dear Sirs,

Re: Account No: [insert account number] (**Account**)

Account Branch: [insert branch name and address]

Account Holder: [name of Chargor] (**Chargor**)

We hereby notify you that by a debenture dated [date] (**Debenture**) made by the Chargor in favour of [Lender] (**Lender**) the Chargor has charged to the Lender, 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 Chargor] (**Charged Account[s]**) and to all interest (if any) accruing on the Charged Account[s].

We hereby irrevocably and unconditionally authorise and instruct you to:

1. hold all monies from time to time standing to the credit of the Charged Account[s] to the order of the Lender and accordingly to pay all or any part of those monies to the Lender (or as it may direct) promptly following receipt of written instructions from the Lender to that effect;
2. disclose to the Lender such information relating to the Chargor and the Charged Account[s] as the Lender may from time to time request you to provide;
3. comply with the terms of any written notice or instruction relating to the Charged Accounts received by you from the Lender.

We also advise you that:

- 3.1 the Chargor may not withdraw any monies from the Charged Account[s] without first having produced to you the prior written consent of the Lender to such withdrawal; and
- 3.2 the provisions of this Notice may only be revoked or varied with the prior written consent of the Lender.

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

- 3.2.1 you agree to act in accordance with the provisions of this notice;
- 3.2.2 you have not received notice that the Chargor 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
- 3.2.3 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 Lender].

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

The provisions of this notice are governed by English law.

Yours faithfully

for and on behalf of *[Chargor]*

Countersigned by

and on behalf of

.....

[Lender]

To: *[name and address of Lender]*

Copy to: *[name and address of Chargor]*

We hereby acknowledge receipt of the above notice and confirm the matters set out in paragraphs 3.2.1, 3.2.2 and 3.2.3 above.

for and on behalf of

[name and address of Account Bank]

Dated: *[date]*

SCHEDULE 8

Property warranties and undertakings

Part 1

Definitions applicable to Schedule 8

Adverse Property Effect

in the reasonable opinion of the Lender a material and adverse effect on:

- (a) the value or marketability of the Property;
- (b) the ability of the Chargor to use the Property for the purposes for which it is currently being used; or
- (c) the validity or enforceability of, or the effectiveness or ranking of the security created or purported to be created by this Deed in relation to the Property or the rights or remedies of the Lender under this Deed;

and so that:

- (a) in this Schedule 8 – the words “would have an Adverse Property Effect” are to be construed as meaning “would or might reasonably be expected to have an Adverse Property Effect”; and
- (b) reference in any part of this Schedule 8 to matters, events or circumstances having an Adverse Property Effect are to be construed as if such matters, events or circumstances were taken together with all other matters, events or circumstances arising under any paragraph of such part of Schedule 8 which would, on such construction, in aggregate have an Adverse Property Effect.

Direction

any notice or order served on or issued to the Chargor by any local or other authority (whether under the Planning Acts or otherwise) in respect of Property.

Contamination

the presence, retention or accumulation of any Hazardous Materials in, at or under any Property.

Environment

all or any media of nature including the following:

- (a) air (including air within buildings or other structures or erections and whether above or below ground);
- (b) water (including territorial, coastal and inland waters, ground waters (as identified in section 104(1)(d) of the Water Resources Act 1991), drains and sewers); and
- (c) land (including buildings and other structures or erections in, on or under it, anything below the surface of land and the seabed, river beds and other land under any water, surface land and sub-surface land).

Environmental Authority

any authority, whether statutory or non-statutory, governmental or non-governmental, having responsibility for Environmental Matters

under Environmental Law.

Environmental Claim

any claim, proceeding, formal notice or investigation by any person (including any Environmental Authority) relating to Environmental Matters or arising as a result of any breach of Environmental Law.

Environmental Laws

all applicable laws and regulations relating to or concerning Environmental Matters.

Environmental Matters

all or any matters relating to or concerning any aspect of the Environment and/or any Hazardous Materials including:

- (a) pollution or contamination or protection of the Environment;
- (b) harm, whether actual or potential, to, or the protection of, the health or safety of any human and/or of any other living organism in the ecological systems;
- (c) the generation, manufacture, processing, distribution, use, treatment, storage, disposal, transport, handling, release, spillage, deposit, escape, discharge, leak or migration of Hazardous Materials; and
- (d) the creation, emission, leak or discharge into the Environment of noise, vibration, dust, fumes, gas, odour, smoke, steam, effluvia, heat, light, radiation, infection, electricity and any matter or thing capable of constituting a common law or statutory nuisance or an actionable tort of any kind in respect of such matters or other adverse impact on the Environment;

Environmental Permits

any permit and other Authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of any business conducted on or from the Property.

Hazardous Materials

any element or substance, whether natural or artificial, whether consisting of gas, liquid, solid or vapour and whether on its own or in any combination with any other element or substance, which is capable of causing harm to the health or safety of any human and/or of any other living organism in the ecological systems or damage to the Environment and/or to public health or welfare.

Lease

any lease, agreement for lease, tenancy, contractual licence or other document which gives a person who is not the Chargor the right to occupy, use or enjoy the Property.

Licensing Acts

the Licensing Act 2003, the Licensing Act 1964 (to the extent not repealed) the Betting Gaming and Lotteries Act 1963, the Gaming Act 1968 and all other legislation in force for the time being relating to the regulation and sale of alcohol, the provision of entertainment and late night refreshment or the regulation of betting, gaming or lotteries or the location or provision of gaming or amusement machines.

Planning Acts

the Town and Country Planning Acts 1990 and the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991 and any order, regulations or permission made or granted under or by virtue of such Acts or any of them.

Superior Lease

any lease, agreement for lease, tenancy, contractual licence or other document which gives the Chargor the right to occupy, use or enjoy the Property.

Part 2

Property warranties

1. MATTERS AFFECTING THE PROPERTY

- 1.1 the Chargor is the legal and beneficial owner of the Property for the estate set out in relation to each part of the Property in Schedule 3 (*Details of Property*);
- 1.2 the Property is free from security or third party rights of any kind whatever save as mentioned in Clause 5.3;
- 1.3 the Property is free from any tenancies or licences to occupy which would have an Adverse Property Effect;
- 1.4 nothing has arisen or been created or is subsisting which would be an overriding interest over the Property which, when taken with all like events, would have an Adverse Property Effect;
- 1.5 there is no dispute regarding boundaries, easements, covenants or other matters relating to any part of the Property or its use which the Chargor believes, or has reasonable grounds to believe, is likely to be adversely determined and which, if so, would have an Adverse Property Effect;
- 1.6 all material covenants (whether affecting the freehold or leasehold titles to the Property) have been properly performed and observed and the Chargor has received no notice of any outstanding breach of any material covenant as regards the Property which would have an Adverse Property Effect;
- 1.7 all Authorisations required or desirable for the continued use of the Property for its present purpose have been obtained and have not been (and the Chargor is not aware of any circumstance having arisen whereby they might be) withdrawn;
- 1.8 there is no covenant, restriction, burden, stipulation or outgoing (other than usual business outgoings) affecting the Property which is of an onerous or unusual nature (either generally or in the context of the present use of the Property) or which conflicts with its present use and which would have an Adverse Property Effect;
- 1.9 there subsists no material breach of any Planning Acts or other law, regulation or covenant which would have an Adverse Property Effect;
- 1.10 Each part of the Property is served by drainage, water and electricity services, all of which are connected to the mains by media located on, in or under that part of the Property or by media elsewhere, in respect of the use of which the Chargor and those deriving title under it to that part of the Property have a permanent legal easement free from onerous or unusual conditions (either generally or in the context of the present use of such part of the Property) and the passage and provision of those services is uninterrupted and the Chargor knows of no imminent or likely material interruption of such passage or provisions, in each case where failure to be so connected or to have such an easement would have an Adverse Property Effect;
- 1.11 the means of access to and egress from each part of the Property is either direct to roads which have been adopted by the local authority and which are maintainable at public expense or to other roads in respect of the use of which the Chargor and those deriving title under it to such part of the Property have a permanent legal easement free from onerous or unusual conditions (either generally or in the context of the present or intended use by the Chargor of such roads), and such other roads connect directly to roads which have been adopted by the local authority and are maintainable at public expense;
- 1.12 no facilities necessary for the enjoyment and use of the Property and/or the carrying on of the Chargor's business at the Property (including, without limitation, access to and egress from the Property) the lack of which would have an Adverse Property Effect are enjoyed on terms entitling

any person to terminate or curtail its or their use (in the absence or breach by the Chargor of any such terms) or on terms which conflict or materially restrict its present use; and

- 1.13 it has not received notice of any adverse claim by any person in respect of the ownership of the Property or any interest in the Property which would have an Adverse Property Effect, nor has any acknowledgement been given to any person in respect of any such claim or interest.

2. ENVIRONMENTAL LAWS

- 2.1 It is in compliance with paragraph 10 (Environmental compliance) of Part 3 of this Schedule 8 (Property undertakings) and to the best of its knowledge and belief (having made due and careful enquiry) no circumstances have occurred which would prevent such compliance in a manner or to an extent which has or is reasonably likely to have an Adverse Property Effect.
- 2.2 No Environmental Claim has been started or (to the best of its knowledge and belief (having made due and careful enquiry)) is threatened against it which has or, if adversely determined, is reasonably likely to have an Adverse Property Effect.

Part 3

Property undertakings

1. NO CHANGES TO THE PROPERTY

It will not without the prior written consent of the Lender:

- 1.1 make any application for the grant of planning permission within the meaning of the Planning Acts; nor
- 1.2 demolish all or any part of the Property; nor
- 1.3 destroy or remove from the Property any other of the Secured Assets now or at any time after the date of this Deed located in or on the Property; nor
- 1.4 make any additions or structural or other material alteration to the Property; nor
- 1.5 create or permit to arise any overriding interest, easement or right over the Property; nor
- 1.6 enter into negotiations with any competent agency of local or national government with a view to the compulsory acquisition of the Property nor consent to such acquisition; nor
- 1.7 enter into any agreement under section 106 of the Town and Country Planning Act 1990, section 33 of the Local Government (Miscellaneous Provisions) Act 1982 or any other agreement with any local government, planning or regulatory authority to build roads or carry out other works; nor
- 1.8 change the use of the Property or do or suffer to be done anything in relation to the Property which constitutes development (as that expression is defined in the Town and Country Planning Act 1990)

if, in any case, such action might have an Adverse Property Effect.

2. COMPLY WITH AUTHORISATIONS AND STATUTES

It will observe and comply with the terms of all Authorisations relating to the Property and will not do or allow or omit to be done any act, matter or thing whereby any provisions of, or regulations made under, the Planning Acts or any other statute having application to the Property may be infringed.

3. INSPECTION

It will permit the Lender and/or such person or persons as it nominates at all reasonable times during business hours and on not less than 24 hours' written notice to the Chargor to enter into and upon the Property to view its state and condition and forthwith after service by the Lender of notice of any defect or want of repair without delay promptly remedy such defect or want of repair.

4. DISPOSALS OF FIXTURES

It will not sever or dispose of any Fixtures now or at any time hereafter affixed to the Property otherwise than in the ordinary course of maintenance or replacement.

5. LEASES

It will:

- 5.1 not grant any Lease or otherwise part with or share possession of the Property.

6. ACQUISITIONS

6.1 It will notify the Lender immediately in writing:

- 6.1.1 before contracting or otherwise committing itself to purchase any estate or interest in freehold or leasehold property and supply the Lender with such details of the proposed purchase as the Lender may from time to time request; and
- 6.1.2 upon completion of its acquisition of any freehold or leasehold property ("**Acquired Property**").

6.2 If title to any Acquired Property is, or is required to be, registered at The Land Registry, the Chargor must as soon as reasonably practicable notify the Lender of the relevant title number and will request the Chief Land Registrar to enter a notice of this Deed on the Charges Register for the relevant Acquired Property in accordance with Clause 4.2 (*Land Registry - application for registration*), and in the case of any other Acquired Property in England and Wales, unless the title deeds and documents relating thereto have been deposited with the Lender, the Chargor shall apply to register this Deed at the Land Charges Department of The Land Registry, and in every case shall promptly provide all necessary application forms and pay all fees and charges payable in respect of such applications.

6.3 Forthwith upon being requested so to do by the Lender, the Chargor must at its own expense execute and deliver to the Lender a legal mortgage (in such form as the Lender may reasonably require) in favour of the Lender of any Acquired Property in England and Wales by way of security for payment of the Secured Obligations, and in the case of Acquired Property in any other jurisdiction it will take such steps to grant to the Lender such analogous Security as the Lender shall reasonably require and shall comply with any requirements in such jurisdiction for the effective registration or filing of such security.

7. INSURANCE

It will insure and keep insured the Property with a reputable independent insurance company or underwriters previously approved by the Lender in writing;

- 7.1 in the names of the Chargor and the Lender as co-insured;
- 7.2 on the basis that the relevant policies of insurance contain an endorsement (in form and substance reasonably satisfactory to the Lender) naming the Lender as sole loss payee in respect of all claims arising under such policies;
- 7.3 against loss or damage by fire, explosion, storm, flood, lightning, earthquake, impact, aircraft and articles dropped from aircraft, riot, civil commotion, malicious damage, bursting or over-flowing pipes or tanks, oil leakage, subsidence, landslip and heave, public liability and liability under the Defective Premises Act 1972 and terrorism to the fullest extent available on the insurance market from time to time, (and in the time of war, against war risks and any statutory insurance scheme which may be applicable to the Property) and such other risks and contingencies as the Lender from time to time reasonably requires;
- 7.4 in a value equal to the full cost of reinstatement from time to time including proper provision for cost inflation over any period that might be required for planning and negotiation and the reconstruction period plus the cost of demolition and debris removal and architects', surveyors' and all other professional fees and the cost of complying with local authority and other statutory requirements;
- 7.5 upon terms to include three years' loss of rent from the Property as a result of its destruction or damage to it in consequence of any insured risk or, in the case of any unoccupied part of the Property, an amount specified by the Lender to be equal to its estimate of three years' interest that would be payable on the Secured Obligations for any period during which the Secured Obligations are or are expected to be outstanding;

- 7.6 upon terms to include a clause acceptable to the Lender which provide that no breach of any of the terms of the relevant policies of insurance by the Chargor or any tenant of any part of the Property will, as regards the Lender, invalidate such policies;
- 7.7 upon terms that the relevant insurance company or underwriters confirm in favour of the Lender that the insurance cover will not be altered or cancelled without prior reference to the Lender; and
- 7.8 otherwise in such form and upon such terms as the Lender agrees (such agreement not to be unreasonably withheld or delayed).

8. APPLICATION OF INSURANCE PROCEEDS

It will apply the proceeds of insurance arising from damage to, or destruction of, the Property in repairing or reinstating it or as the Lender otherwise directs.

9. ENVIRONMENTAL COMPLIANCE

It will:

- 9.1 comply with all Environmental Laws;
- 9.2 obtain, maintain and ensure compliance with all requisite Environmental Permits; and
- 9.3 implement procedures to monitor compliance with and to prevent liability under all Environmental Laws, where failure to do so has or is reasonably likely to have an Adverse Property Effect.

10. ENVIRONMENTAL CLAIMS ETC

It will promptly upon becoming aware of the same, inform the Lender in writing of:

- 10.1 any facts or circumstances which are reasonably likely to result in an Environmental Claim being started or threatened;
- 10.2 any Environmental Claim having been started or being threatened against the Chargor which relates (directly or indirectly) to the Property;
- 10.3 any suspension, revocation or material variation of any Environmental Permit (save where such suspension or revocation arises solely by reason of, and is immediately followed by, the issue of an Environmental Permit in substantially the same terms);
- 10.4 any investment required to maintain, acquire or renew any Environmental Permit or to comply with any Environmental Laws; or
- 10.5 the presence, storage or use of any Hazardous Materials at the Property, where, in each case, the relevant event or circumstance has or is reasonably likely to have an Adverse Property Effect.

11. DIRECTIONS

Within seven days after receipt by it of any Direction served on or issued to it by any local or other authority (whether under the Planning Acts or otherwise) in respect of the Property it will:

- 11.1 give full particulars of the Direction to the Lender and, if so requested by the Lender, produce the Direction or a copy of it to the Lender; and
- 11.2 advise the Lender from time to time of the steps taken or proposed to be taken by it to comply with the terms of the Direction; and
- 11.3 without delay (unless otherwise directed by the Lender) take all reasonable or necessary steps to comply with the Direction; and

- 11.4 at the request of the Lender (but at the cost of the Chargor) make or join with the Lender in making such objections or representations against or in respect of any proposal contained in the Direction as the Lender deems expedient in order to protect the Lender's security interest in the Property; and
- 11.5 apply any compensation received as a result of the implementation of the Direction in the reduction of the Secured Obligations or (at the option of the Lender) deposit the same with the Lender upon such terms as to set-off, assignment and/or charge or otherwise as the Lender requires.

12. LICENSED PREMISES

If at any time during the Security Period the Chargor (or any officer or employee of the Chargor) holds any licence or registration certificate or other Authorisation under the Licensing Acts allowing intoxicating liquors to be sold, or the provision of entertainment or late night refreshments or betting or gaming facilities from or the location of gaming or amusement machines on the Property, the Chargor agrees with the Lender:

- 12.1 to procure that there shall be obtained, renewed and maintained the proper licence, certificate of registration or other Authorisation in a form acceptable to the Lender and, if requested by the Lender, to produce such licence, certificate or other Authorisation to the Lender;
- 12.2 not to do or omit or allow anything to be done which may prejudice the continued existence or renewal of such licence, certificate or other Authorisation;
- 12.3 as soon as it becomes aware of anything which is likely to affect the continued existence of such licence, certificate or other Authorisation or result in the conditions to such licence or certificate being varied, to advise the Lender in writing;
- 12.4 so far as it is usual within the trade to do so, to insure, and to keep such licence, certificate or Authorisation insured against loss, termination or non-renewal and the provisions of paragraphs 8 and 9 of this part of Schedule 8 apply to such insurance as if they were now repeated: and
- 12.5 at any time after this Deed has become enforceable, the Chargor will upon the request of any Enforcement Party do anything or sign any documents which such Enforcement Party may require to assist in the transfer of such licence, certificate or other Authorisation to any other person.

SCHEDULE 9

Receiver's specific powers

The Receiver will have full power and authority:

1. POSSESSION

- 1.1 to enter upon, take possession of the Secured Assets;
- 1.2 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 Chargor 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

- 4.1 to purchase or acquire any land and purchase, acquire or grant any interest in or right over land;
- 4.2 to take a lease or tenancy of any property required or convenient for the business of the Chargor or the exercise of the Receiver's powers under this Deed;

5. LEASES

to exercise on behalf of the Chargor and without the consent of or notice to the Chargor 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 Lender 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 Chargor prior to his appointment;

8. LEGAL ACTIONS AND COMPROMISES

- 8.1 in the name of the Chargor, to bring, prosecute, enforce, defend and discontinue all such actions, suits and proceedings, in relation to the Chargor, the business of the Chargor or the Secured Assets as in any case he shall think fit;

- 8.2 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 Chargor 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 Chargor or the Lender;

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

- 16.1 to promote or establish any company or to acquire shares in any company (whether as a subsidiary of the Chargor or otherwise) to facilitate the exercise of his powers under this Deed;
- 16.2 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;
- 16.3 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 Chargor and comprised in the Secured Assets in such manner as he may think fit;

18. CALLS

to make, or require the directors of the Chargor to make, calls conditionally or unconditionally on the members of Chargor 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 Chargor 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 Chargor 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.

Executed as a deed by **Thomas Keble School**
acting by a director, in the presence of:

.....
Director

Signature (Witness) ...

Print Name ... **GRENYS HANNAH SHARPE**

Address ... **3 HIXCOTE CLOSE**

..... **EASTCOMBE STROUD GLOUCE**

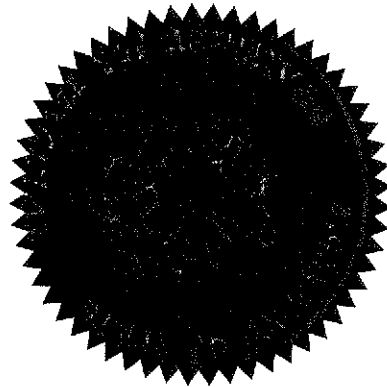
Occupation ... **RETIRED**

Address: Thomas Keble School, Eastcombe, Stroud, Gloucestershire, GL6 7DY

Email : jmaunder@thomaskeble.gloucs.sch.uk

Attention: Julia Maunder

The **CORPORATE SEAL** of **THE SECRETARY OF**
STATE FOR EDUCATION herewith affixed is
authenticated by:



.....
Authorised by the
Secretary of State

Address: Sanctuary Buildings, 20 Great Smith

Street, Westminster, London, SW1P 3BT

Email: RestructuringFacility@education.gov.uk

Attention: Eileen Milner