



Registration of a Charge

Company name: **ERNESETTLE COMMUNITY SOLAR LIMITED**

Company number: **09892557**



X5GB8YQ0

Received for Electronic Filing: **26/09/2016**

Details of Charge

Date of creation: **16/09/2016**

Charge code: **0989 2557 0006**

Persons entitled: **THE COMMUNITY INVESTMENT FUND LP (ACTING THROUGH ITS
GENERAL PARTNER, SOCIAL AND SUSTAINABLE CAPITAL LLP)**

Brief description: **THE LEASEHOLD LAND AT ERNESETTLE LANE, PLYMOUTH, PL5 2EY.**

**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 THE ELECTRONIC COPY INSTRUMENT
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION
IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **KAREN DUNSTONE - SENIOR ASSOCIATE AND A SOLICITOR**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9892557

Charge code: 0989 2557 0006

The Registrar of Companies for England and Wales hereby certifies that a charge dated 16th September 2016 and created by ERNESETTLE COMMUNITY SOLAR LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 26th September 2016 .

Given at Companies House, Cardiff on 27th September 2016

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATED

16 September

2016

- (1) ERNESETTLE COMMUNITY SOLAR LIMITED
- (2) THE COMMUNITY INVESTMENT FUND L.P. (ACTING THROUGH ITS GENERAL PARTNER, SOCIAL AND SUSTAINABLE CAPITAL LLP)

DEBENTURE



Michelmores

Woodwater House
Pynes Hill
Exeter EX2 5WR
DX 135608 EXETER 16
Tel: 01392 688688
Fax: 01392 380563

CERTIFIED A TRUE COPY OF THE ORIGINAL

THIS 26 DAY OF September 2016

MICHELMORES LLP

WOODWATER HOUSE, PYNES HILL, EXETER EX2 5WR

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THIS DEBENTURE is made by deed on

16 September

2016

BETWEEN:

- (1) **ERNESETTLE COMMUNITY SOLAR**, a company incorporated and registered in England and Wales with company number 09892557 whose registered office is at Low Carbon Team, Ballard House, West Hoe Road, Plymouth, PL1 3BJ (**Borrower**).
- (2) **THE COMMUNITY INVESTMENT FUND L.P.** a limited partnership registered in England and Wales with registered number LP015903 whose registered office is at 4th Floor, Reading Bridge House, George Street, Reading, RG1 8LS (acting through its General Partner, **SOCIAL AND SUSTAINABLE CAPITAL LLP**) (**Lender**).

INTRODUCTION

- (A) The Lender has agreed, pursuant to the Facility Agreement, to provide the Borrower with loan facilities on a secured basis.
- (B) Under this deed, the Borrower provides security to the Lender for the loan facilities made available under the Facility Agreement.
- (C) This deed is subject to the Intercreditor Deed.

NOW THIS DEED WITNESSETH as follows:

1 DEFINITIONS AND INTERPRETATION

- 1.1 Terms defined in the Facility Agreement (as such term is defined below) shall, unless otherwise defined in this Deed, have the same meanings when used in this Deed and in addition in this Deed:

Assets all present and future assets, rights and property of the Borrower the subject of the security hereby created.

Borrower's Liabilities all moneys and liabilities of whatever nature now and afterwards due owing or incurred by the Borrower to the Lender including, without limitation, pursuant to the Facility Agreement.

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

Debts shall have the meaning given in clause 3.1.2.1.

Default Rate 3% per annum above the applicable interest rates charged under the Borrower's Liabilities.

Encumbrance includes every mortgage, pledge, lien, charge, assignment, security interest, title retention, preferential right, trust arrangement and agreement the effect of which is the creation of security.

Enforcement Event each event referred to in clause 14.

Environmental all national or local statutes, codes or other laws or legislation concerning health, safety or matters relating

Legislation	to pollution or protection of the environment and all decisions, rules, regulations, ordinances, orders, notices and directives of the European Community, the United Kingdom Parliament, any devolved Parliament or Assembly in any part of the United Kingdom and other official bodies having jurisdiction in respect of such matters.
Equipment	all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property for the time being owned by the Borrower, including any part of it and all spare parts, replacements, modifications and additions.
Event of Default	has the meaning given to that expression in the Facility Agreement.
Existing Security	the security listed in Schedule 3
Facility Agreement	the facility agreement dated on or around the date of this deed between the Borrower and the Lender for the provision of the loan facilities secured by this deed.
Fixtures	in relation to any Property comprised in the Assets all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery from time to time thereon the title in which is vested in the Borrower.
Insolvency Act	the Insolvency Act 1986, where applicable as amended by the Enterprise Act 2002.
Insurance Policy	each contract and policy of insurance effected or maintained by the Borrower from time to time in respect of its assets or business (including, without limitation, any insurances relating to the Properties or the Equipment and life policies).
Intercreditor Deed	the Intercreditor Deed entered into on or around the date of this agreement between the Borrower (1); the Lender (2); the Senior Lender (3); and PEC Renewables Limited (4)
LPA	the Law of Property Act 1925.
Property	all freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or in the future (and from time to time) owned by the Borrower, or in which the Borrower holds an interest (including, but not limited to, the properties specified in Schedule 1), and Property means any of them.
Qualified Person	has the meaning given to it in clause 15.1.

Receiver	has the meaning given to it in clause 15.1.
Relevant Agreement	each agreement specified in Schedule 2.
Security Period	the period beginning on the date of this deed and ending, subject to clause 24.3, on the date on which the security hereby created has been finally released and discharged.
Senior Lender	The Council of the City of Plymouth.
Taxes	includes all present and future income, capital, corporation and other taxes stamp and capital duties, value added or other turnover taxes and all levies, imposts, deductions, charges, fees and withholdings of any kind together with interest and penalties with respect to them and Tax shall be construed accordingly.

1.2 In this deed:

- 1.2.1 clause and schedule headings shall not affect the interpretation of this deed;
- 1.2.2 a reference to a **person** shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality) and that person's personal representatives, successors, permitted assigns and permitted transferees;
- 1.2.3 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- 1.2.4 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- 1.2.5 a reference to a party shall include that party's successors, permitted assigns and permitted transferees;
- 1.2.6 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- 1.2.7 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- 1.2.8 a reference to **writing** or **written** does not include fax or e-mail;
- 1.2.9 an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- 1.2.10 a reference to **this deed** (or any provision of it) or to any other agreement or document referred to in this deed is a reference to this deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this deed) from time to time;
- 1.2.11 unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this deed and a reference to a paragraph is to

a paragraph of the relevant Schedule;

1.2.12 any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;

1.2.13 a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly);

1.2.14 a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;

1.2.15 a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it; and

1.2.16 a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

2 COVENANT TO PAY

2.1 The Borrower hereby covenants with the Lender that it will on demand pay or discharge the Borrower's Liabilities when due to the Lender.

3 FIXED AND FLOATING CHARGES

3.1 The Borrower with full title guarantee and as continuing security for the payment of the Borrower's Liabilities, hereby charges in favour of the Lender:

3.1.1 by way of fixed charge:

3.1.1.1 all right, title estate and other interests of the Borrower in any Property (which for the purpose of this deed shall include the equivalent property in any other jurisdiction) wheresoever situated and whether now owned or subsequently acquired by the Borrower during the Security Period including, without limitation, the Property described (if any) in Schedule 1;

3.1.1.2 all the Fixtures, together with vehicles, computers and other equipment of the Borrower both present and future and all spare parts, replacements, modifications and additions and the full benefit of all warranties and contracts relating to the same but excluding stock-in-trade or work in progress of the Borrower;

3.1.1.3 all stocks, shares and other securities in any subsidiary of the Borrower now or at any time during the Security Period belonging to the Borrower;

3.1.1.4 its present and future uncalled capital and goodwill;

3.1.1.5 all licences, patents, copyrights and service marks, names and styles whether or not registered or registrable and rights in confidential information know-how systems and techniques or intellectual property

of any description now or at any time belonging to the Borrower;

3.1.1.6 all present and future contracts or Insurance Policies in which the Borrower now or hereafter has an interest and all moneys from time to time payable thereunder including any refund of premiums;

3.1.2 by way of floating charge:

3.1.2.1 the book debts and other debts due or owing to the Borrower both present and future (together the Debts) including, without limitation all sale proceeds in respect of all the Debts and the full benefit of all rights and remedies relating to them and the benefit of all securities and guarantees now or at any time enjoyed or held by the Borrower in relation them;

3.1.2.2 all the undertakings and all the Assets, rights and other interests of the Borrower both present and future (i) not otherwise effectively mortgaged or charged under this 3.1, and/or (ii) situate in, or governed by the law of England and Wales, whether or not otherwise effectively mortgaged or charged under this clause 3.1.

3.2 The charges created by clause 3.1.2 shall be a floating charge unless and until they are converted into a fixed charge pursuant to clause 4 or by operation of law.

3.3 Paragraph 14 of Schedule B1 to the Insolvency Act (incorporated to the Enterprise Act 2002) shall apply to any floating charge created pursuant to this deed.

4 CONVERSION OF FLOATING CHARGE

4.1 The Lender may, in its sole discretion, at any time and by written notice to the Borrower, convert the floating charge created under this deed into a fixed charge as regards any part of the Assets specified by the Lender in that notice.

4.2 The floating charge created by this deed shall automatically and without notice be converted into a fixed charge:

4.2.1 in respect of any Assets subject to it which shall become subject to an Encumbrance (other than in respect of the Existing Security) or to a disposition contrary to clause 9; or

4.2.2 if an Enforcement Event takes place.

5 ASSIGNMENT

5.1 As continuing security for the payment and discharge of the Borrower's Liabilities, the Borrower with full title guarantee assigns to the Lender absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Borrower's Liabilities:

5.1.1 all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy; and

5.1.2 the benefit of each Relevant Agreement and the benefit of any guarantee or security for the performance of an Relevant Agreement.

6 CONTINUING SECURITY

- 6.1 The security constituted by this deed shall be continuing security and shall not be satisfied by any intermediate payment, satisfaction or discharge of the whole or any part of any of the Borrower's Liabilities.
- 6.2 The security hereby given shall be in addition to and shall not be affected by any other Encumbrance now or hereafter held or enjoyed by the Lender for all or any of the Borrower's Liabilities.
- 6.3 Subject to clause 24.3, upon proof being given to the satisfaction of the Lender that all the Borrower's Liabilities and other obligations and moneys hereby secured have been discharged, satisfied or paid in full the Lender shall execute and do all such deeds, acts and things as may be necessary to release the Assets from the security constituted by this deed.

7 LIABILITY OF THE BORROWER

- 7.1 The Borrower's liability under this deed in respect of any of the Borrower's Liabilities shall not be discharged, prejudiced or affected by:
- 7.1.1 any security, guarantee, indemnity, remedy or other right held by, or available to, the Lender that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
 - 7.1.2 the Lender renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or
 - 7.1.3 any other act or omission that, but for this clause 7.1 might have discharged, or otherwise prejudiced or affected, the liability of the Borrower.
- 7.2 The Borrower waives any right it may have to require the Lender to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this deed against the Borrower.

8 REPRESENTATIONS AND WARRANTIES

- 8.1 The Borrower makes the representations and warranties set out in this clause 8 to the Lender on the date of this deed, and shall be deemed to be repeated on each day of the Security Period with reference to the facts and circumstances then existing:
- 8.1.1 the Borrower is the legal and beneficial owner of the Assets;
 - 8.1.2 the Borrower has not created any Encumbrances over any of the Assets prior to the execution of this deed other than the disclosed Existing Security;
 - 8.1.3 the Borrower has power to enter into this deed and has taken all necessary corporate and other action to authorise the execution, delivery and performance of its obligations under this deed;
 - 8.1.4 the execution and delivery of this deed and compliance by the Borrower with the covenants on its part contained herein does not and will not breach the terms of any agreement to which the Borrower is a party to or of its

memorandum and articles of association or which may be binding on the Assets;

- 8.1.5 the Borrower has not received, or acknowledged notice of, any adverse claim by any person in respect of the Assets or any interest in them;
- 8.1.6 there are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever that materially and adversely affect the Assets;
- 8.1.7 there is no breach of any law or regulation that materially and adversely affects the Assets;
- 8.1.8 this deed constitutes and will constitute the legal, valid, binding and enforceable obligations of the Borrower, and is and will continue to be effective security over all and every part of the Assets in accordance with its terms; and
- 8.1.9 the Borrower is in compliance and will continue to be compliance with all applicable Environmental Legislation.

9 GENERAL COVENANTS

- 9.1 The Borrower shall not without the prior written consent of the Lender:
 - 9.1.1 purport to create or permit to subsist over all or any of the Assets any Encumbrance other than (i) the security constituted by this deed; and (ii) the Existing Security;
 - 9.1.2 sell, assign, transfer, part with possession of, or otherwise dispose of in any manner (or purport to do so), all or any part of, or any interest in, the Assets (except, in the ordinary course of business, Assets that are only subject to an uncrystallised floating charge); or
 - 9.1.3 create or grant (or purport to create or grant) any interest in the Assets in favour of a third party.
- 9.2 The Borrower shall not do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Lender, or materially diminish the value of any of the Assets or the effectiveness of the security created by this deed.
- 9.3 The Borrower shall not, without the Lender's prior written consent, use or permit the Assets to be used in any way contrary to law.
- 9.4 The Borrower shall:
 - 9.4.1 comply with the requirements of any law and regulation relating to or affecting the Assets or the use of it or any part of them;
 - 9.4.2 obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Assets or their use or that are necessary to preserve, maintain or renew any Asset; and
 - 9.4.3 promptly effect any maintenance, modifications, alterations or repairs that are required by any law or regulation to be effected on or in connection with the Assets.

10 INTERCREDITOR DEED

The provisions of this deed are subject to the terms and conditions set out in the Intercreditor Deed.

11 DEBTS AND FURTHER COVENANTS

11.1 Except as the Lender may otherwise direct the Borrower will:

11.1.1 get in and realise the Debts in the ordinary course of its business (which shall not extend to the selling or assigning or in any other way factoring or discounting the same);

11.1.2 pay into its current account, all monies which it may receive in respect of the Debts and (subject to any rights of the Lender in respect of such account) pay or otherwise deal with such monies standing in such account in accordance with any directions from time to time given in writing by the Lender. The Borrower shall on demand by the Lender provide full statements and particulars of all the Borrower's bank accounts and such other financial statements as are from time to time required by the Lender.

11.2 The Borrower hereby covenants with the Lender that during the Security Period the Borrower shall:

11.2.1 keep all of the buildings and all Fixtures, plant, machinery, fittings, vehicles, computers and equipment and effects comprised in the Assets and every part of such Assets in good working order and in a condition that is no worse than as at the date of this deed (except for fair wear and tear and replacement from time to time as required) and insured with such insurer and against such risks and in such amounts and otherwise upon such terms as the Lender may reasonably require (and failing such requirement in accordance with the practice in respect of assets of the same type from time to time current) and will procure that the interest of the Lender is noted upon all policies of such insurance and (if the Lender so requires) will produce to the Lender all such policies and the receipts for all premiums and other payments necessary for effecting and keeping up such policies and it is hereby agreed:

11.2.1.1 that the Lender may (but without being under any duty to do so) itself repair any of the buildings and all Fixtures, plant, machinery, fittings, vehicles, computers and equipment and effects comprised in the Assets and every part of such Assets (and may for that purpose enter upon any premises of the Borrower and have access to necessary documents and personnel of the Borrower without being deemed to have gone into possession of any such premises) or itself insure and keep insured any of the Assets which the Borrower has in this clause covenanted to insure and that the Borrower shall be liable to the Lender for the reasonable expenses incurred by the Lender in so doing together with interest at the Default Rate; and

11.2.1.2 that all sums at any time payable under any of such policies of insurance shall be paid to the Lender (and if the same be not paid directly to the Lender by the insurers then the Borrower shall be trustee of the same for the benefit of the Lender and shall account to the Lender accordingly) and shall at the option of the Lender be applied in the making good or recouping of expenditure in respect of the loss or damage for which such moneys are received or towards

discharge or reduction of any of the Borrower Liabilities;

11.2.2 procure that no person shall be or become entitled to any proprietary right or interest (other than the Existing Security) or do any other act or thing which might affect the value of the Assets without the prior written consent of the Lender;

11.2.3 on being so required by notice in writing by the Lender, deposit with them all the deeds and documents of title relating to the Debts and the Assets and/or on the occurrence of an Enforcement Event execute such legal mortgage, charge or assignment over all or any of the Assets in favour of the Lender or otherwise in such form as the Lender may require;

11.2.4 carry on and conduct and procure its subsidiaries (so long as they respectively carry on business) to carry on and conduct its and their respective affairs in a proper and efficient manner;

11.2.5 notify the Lender of any proposal or contract made by the Borrower for the acquisition by the Borrower of any Property and shall at any time if called upon to do so by the Lender execute over all or any part of such property a charge by way of legal mortgage (or equivalent fixed security in any other jurisdiction) in favour of the Lender in such form as the Lender may require and in the case of any leasehold property shall use its best endeavours to obtain any requisite consents therefor from the lessor;

11.2.6 promptly inform the Lender of any event which may affect (i) the title of the Borrower to any of its Properties or any Fixtures or (ii) the fulfilment by the Borrower of any of its covenants or obligations hereunder;

11.2.7 allow the Lender or its agents at all reasonable times to enter or inspect the Assets;

11.2.8 observe and perform all covenants and stipulations from time to time affecting its Properties or the mode of use or enjoyment of the same and not without the prior consent in writing of the Lender enter into any onerous or restrictive obligations affecting any such Assets or make any structural or material alteration to them;

11.2.9 in relation to the Assets and their use or enjoyment comply with all obligations under any present or future statute, regulation, order or instrument;

11.2.10 not without the prior consent in writing of the Lender exercise any of the powers of leasing or agreeing to lease vested in or conferred on mortgagors or create or suffer to be created a tenancy of any description of the whole or any part of the Properties or confer upon any person any contractual licence, right or interest to occupy the whole or any part of the said property or accept or agree to accept a surrender of any lease, underlease, tenancy, licence or agreement;

11.2.11 punctually pay and indemnify the Lender and any Receiver appointed by it against all existing and future rent rates, Taxes, duties, charges, assessments, impositions and outgoings whatsoever payable in respect of the Assets or any part of such Assets or by the owner or occupier of them. If any such sums shall be paid by the Lender or by any Receiver the same shall be repaid by the Borrower on demand with interest at the Default Rate;

11.2.12 not without the prior consent in writing of the Lender redeem or purchase its own shares nor pay an abnormal amount by way of dividend; and

11.2.13 not do or cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value to the Lender of the security hereby created and not (without the prior consent in writing of the Lender) incur any expenditure or liabilities of an exceptional or unusual nature.

12 POWERS OF LENDER

12.1 Section 103 of the LPA will not apply to this deed but the statutory power of sale, as between the Lender and a purchaser will arise upon and be exercisable at any time after the execution of this deed provided that the Lender will not exercise the power of sale until payment of all or any part of the Borrower's Liabilities has been demanded or the Receiver has been appointed but this proviso will not affect a purchaser or put him upon inquiry whether such demand or appointment has been validly made.

12.2 The restriction on the right of consolidation contained in section 93 of the LPA shall not apply to this deed.

12.3 The statutory powers of sale leasing and accepting surrender conferred on the Lender shall be extended so as to authorise the Lender to lease and make agreements for leases at a premium or otherwise and accept surrenders of lease and grant options as the Lender shall consider expedient and without the need to observe any of the provisions of Sections 99 and 100 of the LPA.

13 POWER TO REMEDY

13.1 The Lender shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Borrower of any of its obligations contained in this deed.

13.2 The Borrower irrevocably authorises the Lender and its agents to do all things that are necessary or desirable for that purpose.

13.3 Any monies expended by the Lender in remedying a breach by the Borrower of its obligations contained in this deed shall be reimbursed by the Borrower to the Lender on a full indemnity basis and shall carry interest at the Default Rate.

13.4 The rights of the Lender under clauses 13.1 to 13.3 are without prejudice to any other rights of the Lender under this deed. The exercise of any rights of the Lender under this deed shall not make the Lender liable to account as a mortgagee in possession.

14 ENFORCEMENT EVENTS

14.1 The security constituted by this deed shall be immediately enforceable if an Event of Default occurs, whereby:

14.1.1 all floating charges created under this deed will automatically crystallise without need for notice; and

14.1.2 at any time after any such Enforcement Event, the Lender may declare by written notice to the Borrower that the Borrower's Liabilities (or such of them as the Lender may specify in the relevant notice) are immediately due and

payable or (if the Lender so specifies) are payable forthwith on demand and the security hereby conferred shall become immediately enforceable and the Lender's statutory and other rights shall be immediately exercisable upon and at any time after the occurrence of any such event.

- 14.2 After this security has become enforceable the Lender may in its absolute discretion enforce all or any part of this security in such manner as in its absolute discretion it shall determine.

15 APPOINTMENT OF RECEIVER OR ADMINISTRATOR

- 15.1 At any time after this security becomes enforceable (whether or not any Enforcement Event is continuing) or if requested by the Borrower in writing the Lender may without further notice appoint at its option under seal, by execution as a deed, or by writing under the hand of any director or authorised officer of the Lender one or more Qualified Persons to be an administrative receiver, receiver or receiver and manager (each a **Receiver**) of all or any part of the Assets in like manner in every respect as if the Lender had become entitled under the LPA to exercise the power of sale thereby conferred in respect of all or part of the Assets (as the case may be) or an administrator of the Borrower. **Qualified Person** means a person who under the Insolvency Act is qualified to act as a receiver of the property of any Borrower with respect to which he is appointed or (as the case may require) an administrator of any such Borrower.

- 15.2 Where two or more persons are appointed to be a Receiver or an administrator they will have power to act separately.

16 POWERS OF RECEIVER

- 16.1 Every Receiver appointed under clause 15 shall have and be entitled to exercise all powers conferred by the LPA as if such Receiver had been duly appointed thereunder. A Receiver who is an administrative receiver or administrator of the Borrower shall have all the powers of an administrative receiver or administrator (as applicable) under the Insolvency Act.

- 16.2 The Lender may, without further notice (subject to section 45 of the Insolvency Act 1986), from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

- 16.3 The Lender may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA, and the remuneration of the Receiver shall be a debt secured by this deed, which shall be due and payable immediately on its being paid by the Lender.

- 16.4 In particular by way of addition to but without hereby limiting any general powers referred to above every Receiver so appointed shall have power to do the following things:

16.4.1 to take immediate possession of, collect and get in all or any of the Assets, exercise in respect of any shares or securities all voting or other powers or rights available to a registered holder of such shares or securities in such manner as he may think fit and make such demands and take any proceedings in the name of the Borrower as may seem expedient,

16.4.2 to carry on, manage, develop, reconstruct, amalgamate or diversify or concur

in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Borrower;

16.4.3 without the restrictions imposed by Section 103 of the LPA or the need to observe any of the provisions of Sections 99 and 100 of the LPA to sell or concur in selling, assign or concur in assigning, lease or concur in leasing and accept or concur in accepting surrenders of leases of all or any of the Assets in respect of which the Receiver is appointed in such manner and generally on such terms and conditions as he thinks fit and to carry any such sale leasing or surrender into effect by conveying, leasing or accepting surrenders. Any such sale may be for such consideration as the Receiver shall think fit and may be transacted without the consent of the Borrower being obtained;

16.4.4 to sell and assign all or any of the Debts in respect of which the Receiver is appointed in such manner and generally on such terms and conditions as he thinks fit;

16.4.5 to make any arrangement or compromise between the Borrower and any other person which he may think expedient;

16.4.6 to make and effect repairs and/or improvements to the Assets as he may think expedient or to allow time for payment or to enter into, abandon, cancel or disregard any contracts which he shall think expedient;

16.4.7 to make calls conditionally or unconditionally on the members of the Borrower in respect of the uncalled capital with such and the same powers for that purpose and for the purpose of enforcing payments of any calls so made as are by the Articles of Association of the Borrower conferred on the directors of the Borrower in respect of calls authorised to be made by them;

16.4.8 to appoint managers, officers, servants, workmen and agents for the aforesaid purposes at such salaries and for such periods and on such terms as the Receiver may determine;

16.4.9 if he thinks fit to effect with any insurer any policy or policies of insurance;

16.4.10 for any of the purposes authorised by this clause to raise money by borrowing from any person on the security of all or any of the Debts and Assets in respect of which the Receiver is appointed upon such terms as the Receiver shall think fit;

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

16.4.12 to form a subsidiary or subsidiaries of the Borrower and transfer to any such subsidiary all or any part of the Assets;

16.4.13 without any further consent by or notice to the Borrower, to exercise on behalf of the Borrower all the powers and provisions conferred upon a landlord or a tenant by any legislation from time to time in force in respect of any part of the property hereby charged but without any obligation to exercise any of such powers and without any liability in respect of powers so exercised or omitted to be exercised;

16.4.14 to promote the formation of companies with the view to the same purchasing, leasing, licensing or otherwise acquiring interests in all or any of

the charged Assets or otherwise to arrange for such companies to trade or cease to trade and to purchase, lease, licence or otherwise acquire all or any of the charged Assets on such terms and conditions, whether or not including payment by instalments secured or unsecured, as he may think fit;

16.4.15 to sign any document, execute any deed and do all such other acts and things as may be considered by him to be incidental or conducive to any of the matters or powers aforesaid or to the realisation of the Lender's security and to use the name of the Borrower for all the above purposes.

16.5 If there is any ambiguity or conflict between the powers contained in the LPA and those contained in this deed the terms of this deed shall prevail.

17 ORDER OF APPLICATION OF PROCEEDS

17.1 All monies received by the Lender or every Receiver pursuant to this deed, after the security constituted by this deed has become enforceable, shall (subject to the claims of any person having prior rights and by way of variation of the LPA) be applied in the following order of priority:

17.1.1 in or towards payment of or provision for all costs, charges and expenses incurred by or on behalf of the Lender (and any Receiver or, attorney or agent appointed by it) under or in connection with this deed, and of all remuneration due to any Receiver under or in connection with this deed;

17.1.2 in or towards payment of or provision for the Borrower's Liabilities in any order and manner that the Lender determines; and

17.1.3 in payment of the surplus (if any) to the Borrower or other person entitled to it.

17.2 Neither the Lender nor the Receiver shall be bound (whether by virtue of section 109(8) of the LPA, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Borrower's Liabilities.

17.3 All monies received by the Lender or any Receiver under this deed:

17.3.1 may, at the discretion of the Lender or any Receiver, be credited to any suspense or securities realised account;

17.3.2 shall bear interest, if any, at the rate agreed in writing between the Lender and the Borrower; and

17.3.3 may be held in that account for so long as the Lender or Receiver thinks fit.

18 NO LIABILITY AS MORTGAGEE IN POSSESSION

18.1 The Lender shall not nor shall any Receiver (by reason of either or both entering into possession of all or any of the Assets) or any administrator be liable to account as mortgagee in possession in respect of all or any of the Debts or Assets nor be liable for any loss upon realisation or for any neglect or default of any nature whatsoever in connection with all or any of the Debts or Assets for which a mortgagee in possession might be liable.

18.2 Every Receiver or administrator duly appointed by the Lender shall be deemed to be the agent of the Borrower so far as the law permits and shall as such agent for all

purposes be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the LPA. The Borrower alone shall be responsible for all contracts, engagements, acts, omissions, defaults and losses and for liabilities entered into or incurred by the Receiver or administrator and the Lender shall not incur any liability therefor (either to the Borrower or to any other person whatsoever) by reason of making such appointment as Receiver or administrator or for any other reason whatsoever.

19 PROTECTION OF THIRD PARTIES

19.1 No purchaser, mortgagee or other person dealing with the Lender or any Receiver shall be concerned to enquire:

19.1.1 whether any of the Borrower's Liabilities have become due or payable, or remain unpaid or undischarged;

19.1.2 whether any power the Lender or any Receiver is purporting to exercise has become exercisable or is properly exercisable; or

19.1.3 how any money paid to the Lender or any Receiver is to be applied.

20 EXPENSES AND RECEIVER'S REMUNERATION

20.1 The Borrower shall, within 10 Business Days of demand, pay to, or reimburse, the Lender and any Receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Lender or any Receiver or in connection with:

20.1.1 this deed or the Assets;

20.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lender's or each Receiver's rights under this deed; or

20.1.3 taking proceedings for, or recovering, any of the Borrower's Liabilities,

together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost or expense arose until full discharge of that cost or expense (whether before or after judgment, liquidation, winding up or administration of the Borrower) at the rate and in the manner specified in the Facility Agreement.

20.2 The Borrower shall indemnify the Lender and each Receiver and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:

20.2.1 the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this deed or by law in respect of the Assets;

20.2.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this deed; or

20.2.3 any default or delay by the Borrower in performing any of its obligations under this deed.

- 20.3 Any past or present employee or agent of the Lender or any Receiver may enforce the terms of clause 20.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

21 TAXES

- 21.1 All payments by the Borrower under or in connection with this deed shall be made without set-off, counterclaim or withholding, free and clear of and without deduction for or on account of all Taxes.
- 21.2 If the Borrower is compelled by law to make payment subject to any Tax and the Lender does not actually receive for its own benefit on the due date a net amount equal to the full amount provided for hereunder, the Borrower will pay all necessary additional amounts to ensure receipt by the Lender of the full amount so provided for. The Borrower will indemnify the Lender in respect of all such Taxes.

22 FURTHER ASSISTANCE

The Borrower shall at its own expense execute make and do all such assurances, acts and things as the Lender may reasonably require for perfecting or protecting the security over the Assets or any part of such Assets or for facilitating the realisation of the Assets or any part and in the exercise of all powers, authorities and discretions vested in the Lender or in any Receiver of the Assets or any part of such Assets or in any such delegate or sub-delegate as aforesaid. The Borrower shall in particular execute all transfers, conveyances, assignments and assurances of such property whether to the Lender or to its nominees and give all notices, orders and directions which the Lender may think expedient.

23 POWER OF ATTORNEY

- 23.1 The Borrower hereby by way of security and in order more fully to secure the performance of its obligations under this deed irrevocably appoints the Lender and every Receiver or administrator appointed under this deed acting severally to be its attorney and on its behalf and in its name or otherwise to execute and do all such assurances, acts and things which the Borrower ought to do under the covenants and provisions contained in this deed and generally in its name and on its behalf to exercise all or any of the powers, authorities and discretions conferred by or pursuant to this deed or by statute on the Lender or any such Receiver or administrator and to execute any deed, assurance, agreement, instrument or act which it or he may deem proper in or for the purpose of exercising any of such powers, authorities and discretions.
- 23.2 The Borrower hereby ratifies and confirms and agrees to ratify and confirm whatever any such attorney as is mentioned above shall do or purport to do in the exercise or purported exercise of all or any of the powers, authorities and discretions referred to in clause 23.1.

24 FURTHER PROVISIONS

- 24.1 This deed shall be in addition to, and independent of, any other security or guarantee that the Lender may hold for any of the Borrower's Liabilities at any time. No prior security held by the Lender over the whole or any part of the Assets shall merge in the security created by this deed.
- 24.2 This deed shall remain in full force and effect as a continuing security for the Borrower's Liabilities, despite any settlement of account, or intermediate payment, or

other matter or thing, unless and until the Lender discharges this deed in writing.

24.3 Any release, discharge or settlement between the Borrower and the Lender shall be deemed conditional on no payment or security received by the Lender in respect of the Borrower's Liabilities being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:

24.3.1 the Lender or its nominee may retain this deed and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Assets, for any period that the Lender deems necessary to provide the Lender with security against any such avoidance, reduction or order for refund; and

24.3.2 the Lender may recover the value or amount of such security or payment from the Borrower subsequently as if the release, discharge or settlement had not occurred.

24.4 A certificate or determination by the Lender as to any amount for the time being due to it from the Borrower under this deed shall be, in the absence of any manifest error, conclusive evidence of the amount due.

25 AMENDMENTS, REMEDIES, WAIVERS AND CONSENTS

25.1 No amendment of this deed shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

25.2 No failure on the part of the Lender to exercise and no delay on its part in exercising any right or remedy under this deed will operate as a waiver such right or remedy nor will any single or partial exercise of any right or remedy preclude any other or future exercise of such rights or remedies or the exercise of any other right or remedy. The rights and remedies provided in this deed are cumulative and not exclusive of any rights or remedies provided by law.

25.3 Any waiver and any consent by the Lender under this deed must be in writing and may be given subject to any conditions thought fit by the Lender. Any waiver or consent shall be effective only in the instance and for the purpose for which it is given.

26 ASSIGNMENT AND TRANSFER

26.1 At any time, without the consent of the Borrower, the Lender may assign or transfer any or all of its rights and obligations under this deed.

26.2 The Lender may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Borrower, the Assets and this deed that the Lender considers appropriate.

26.3 The Borrower may not assign any of its rights, or transfer any of its rights or obligations, under this deed.

26.4 This deed will remain enforceable, valid and binding for all purposes if the Lender changes its name or constitution or merges, is amalgamated or consolidated with any other person. Even if any of those matters happen in connection with the Lender's successors or transferees which afterwards carries on the Lender's business, this deed will remain enforceable, valid and binding.

27 CURRENCY CONVERSION

For the purpose of or pending the discharge of any of the Borrower's Liabilities the Lender may convert any moneys received, recovered or realised by the Lender under this deed from their existing currency of denomination into such other currency of denomination as the Lender may think fit and any such conversion shall be effected at a then prevailing spot selling rate of exchange for such other currency against the existing currency as the Lender may in its discretion select.

28 SET-OFF

The Lender may at any time set off any liability of the Borrower to the Lender against any liability of the Lender to the Borrower, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this deed. Any exercise by the Lender of its rights under this clause 28 shall not limit or affect any other rights or remedies available to it under this deed or otherwise.

29 COUNTERPARTS

29.1 This deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.

29.2 No counterpart shall be effective until each party has executed and delivered at least one counterpart.

30 THIRD PARTY RIGHTS

Except as expressly provided in clause 20.2, a person who is not a party to this deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

31 GENERAL

31.1 The rights and remedies of the Lender herein provided are in addition to and not in substitution for any rights or remedies provided by law.

31.2 Each of the provisions of this deed are severable and distinct from the others and if at any time one or more of such provisions is or becomes invalid, illegal or unenforceable the validity, legality and enforceability of the remaining provisions of this deed shall not in any way be affected or impaired thereby.

32 NOTICES

32.1 Any notice or other communication given to a party under or in connection with this deed shall be:

32.1.1 in writing;

32.1.2 delivered by hand by pre-paid first-class post or other next working day delivery service; and sent to:

32.1.2.1 the Borrower at:

Low Carbon Team, Ballard House, West Hoe Road, Plymouth,
Devon, PL1 3BJ

Attention: Alistair Macpherson

32.1.2.2 the Lender at:

The Community Investment Fund L.P. (acting through its
General Partner, Social and Sustainable Capital LLP)

2nd Floor CAN Mezzanine Building, 7-14 Great Dover Street,
London, SE1 4YR

Attention: Benjamin Rickor to any other address as is notified
in writing by one party to the other from time to time.

32.2 Any notice or other communication that the Lender gives to the Borrower shall be deemed to have been received:

32.2.1 if delivered by hand, at the time it is left at the relevant address; and

32.2.2 if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting.

32.3 A notice or other communication given as described in clause 32.2.1 or clause 32.2.2 on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

32.4 Any notice or other communication given to the Lender shall be deemed to have been received only on actual receipt.

32.5 A notice or other communication given under or in connection with this deed is not valid if sent by Fax or e-mail.

33 GOVERNING LAW AND JURISDICTION

33.1 This deed and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

33.2 Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim that arises out of, or in connection with this deed or its subject matter or formation (including non-contractual disputes or claims). Nothing in this clause shall limit the right of the Lender to take proceedings against the Borrower in any other court of competent jurisdiction, nor shall the taking of proceedings by the Lender in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

SCHEDULE 1 – PARTICULARS OF PROPERTIES

The leasehold land at the land at Ernesettle Lane, Plymouth, PL5 2EY as more particularly described in the Lease dated 20 January 2016 and made between (1) The Council of the City of Plymouth (as landlord) and (2) the Borrower (as tenant).

SCHEDULE 2 – RELEVANT AGREEMENTS

Agreement	Parties	Date
EPC Contract	(1) EPC Contractor (2) Borrower	22 January 2016 (Deed of Variation dated 11 February 2016)
Operation and maintenance agreement	(1) O&M Contractor (2) Borrower	22 January 2016
Power Purchase Agreement	(1) Power Purchaser (2) Borrower	19 February 2016
Power Purchase Guarantee	(1) PPA Guarantor (2) Borrower	19 February 2016
Lease	(1) Lender (2) Borrower	20 January 2016
Grid Connection Offer	(1) Borrower (2) DNO	Offer dated 6 November 2014, accepted 2 February 2015, novated to Borrower on 17 December 2015
Management Services Agreement	(1) Parent Company (2) Borrower	15 February 2016
Technical Services Appointment	(1) SgurrEnergy Ltd (2) Borrower	19 February 2016
Deed of Covenant	(1) Borrower (2) Parent Company (3) EPC Contractor	22 December 2015
Option Agreement	(1) Parent Company (2) EPC Contractor	22 December 2015

SCHEDULE 3 – EXISTING SECURITY

1. Debenture dated on or around the date of this deed between the Senior Lender and the Borrower
2. The Legal Charge dated on or around the date of this deed between the Lender and the Borrower
3. The Legal Charge dated on or around the date of this deed between the Senior Lender and the Borrower.

IN WITNESS whereof this deed has been executed and delivered as a deed on the day and year first above written.

Signed by
duly authorised for and on behalf of
**ERNESETTLE COMMUNITY SOLAR
LIMITED**

Director

Witness

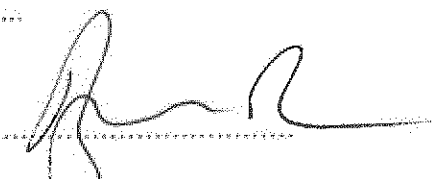
Signature:

Name:

Address:

Occupation:

Signed by for
and on behalf of **THE COMMUNITY
INVESTMENT FUND L.P. (ACTING BY ITS
GENERAL PARTNER, SOCIAL AND
SUSTAINABLE CAPITAL LLP)**


Authorised Signatory

Witness

Signature: 

Name: JONATHAN HICK

Address: 104 TENNYSON STREET

LONDON

Occupation: INVESTMENT MANAGER

DATED

16 September

2016

- (1) ERNESETTLE COMMUNITY SOLAR LIMITED
- (2) THE COMMUNITY INVESTMENT FUND L.P. (ACTING THROUGH ITS GENERAL PARTNER, SOCIAL AND SUSTAINABLE CAPITAL LLP)

DEBENTURE

Michelmores



Woodwater House
Pynes Hill
Exeter EX2 5WR
DX 135608 EXETER 16
Tel: 01392 688688
Fax: 01392 360563

CERTIFIED A TRUE COPY OF THE ORIGINAL

THIS *26* DAY OF *September* 20 *16*

MICHELMORES LLP

WOODWATER HOUSE, PYNES HILL, EXETER EX2 5WR

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THIS DEBENTURE is made by deed on

16 September

2016

BETWEEN:

- (1) **ERNESETTLE COMMUNITY SOLAR**, a company incorporated and registered in England and Wales with company number 09892557 whose registered office is at Low Carbon Team, Ballard House, West Hoe Road, Plymouth, PL1 3BJ (**Borrower**).
- (2) **THE COMMUNITY INVESTMENT FUND L.P.** a limited partnership registered in England and Wales with registered number LP015903 whose registered office is at 4th Floor, Reading Bridge House, George Street, Reading, RG1 8LS (acting through its General Partner, **SOCIAL AND SUSTAINABLE CAPITAL LLP**) (**Lender**).

INTRODUCTION

- (A) The Lender has agreed, pursuant to the Facility Agreement, to provide the Borrower with loan facilities on a secured basis.
- (B) Under this deed, the Borrower provides security to the Lender for the loan facilities made available under the Facility Agreement.
- (C) This deed is subject to the Intercreditor Deed.

NOW THIS DEED WITNESSETH as follows:

1 DEFINITIONS AND INTERPRETATION

- 1.1 Terms defined in the Facility Agreement (as such term is defined below) shall, unless otherwise defined in this Deed, have the same meanings when used in this Deed and in addition in this Deed:

Assets	all present and future assets, rights and property of the Borrower the subject of the security hereby created.
Borrower's Liabilities	all moneys and liabilities of whatever nature now and afterwards due owing or incurred by the Borrower to the Lender including, without limitation, pursuant to the Facility Agreement.
Business Day	a day (other than a Saturday or Sunday) on which banks are open for general banking business in London.
Debts	shall have the meaning given in clause 3.1.2.1.
Default Rate	3% per annum above the applicable interest rates charged under the Borrower's Liabilities.
Encumbrance	includes every mortgage, pledge, lien, charge, assignment, security interest, title retention, preferential right, trust arrangement and agreement the effect of which is the creation of security.
Enforcement Event	each event referred to in clause 14.
Environmental	all national or local statutes, codes or other laws or legislation concerning health, safety or matters relating

Legislation	to pollution or protection of the environment and all decisions, rules, regulations, ordinances, orders, notices and directives of the European Community, the United Kingdom Parliament, any devolved Parliament or Assembly in any part of the United Kingdom and other official bodies having jurisdiction in respect of such matters.
Equipment	all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property for the time being owned by the Borrower, including any part of it and all spare parts, replacements, modifications and additions.
Event of Default	has the meaning given to that expression in the Facility Agreement.
Existing Security	the security listed in Schedule 3
Facility Agreement	the facility agreement dated on or around the date of this deed between the Borrower and the Lender for the provision of the loan facilities secured by this deed.
Fixtures	in relation to any Property comprised in the Assets all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery from time to time thereon the title in which is vested in the Borrower.
Insolvency Act	the Insolvency Act 1986, where applicable as amended by the Enterprise Act 2002.
Insurance Policy	each contract and policy of insurance effected or maintained by the Borrower from time to time in respect of its assets or business (including, without limitation, any insurances relating to the Properties or the Equipment and life policies).
Intercreditor Deed	the Intercreditor Deed entered into on or around the date of this agreement between the Borrower (1); the Lender (2); the Senior Lender (3); and PEC Renewables Limited (4)
LPA	the Law of Property Act 1925.
Property	all freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or in the future (and from time to time) owned by the Borrower, or in which the Borrower holds an interest (including, but not limited to, the properties specified in Schedule 1), and Property means any of them.
Qualified Person	has the meaning given to it in clause 15.1.

Receiver	has the meaning given to it in clause 15.1.
Relevant Agreement	each agreement specified in Schedule 2.
Security Period	the period beginning on the date of this deed and ending, subject to clause 24.3, on the date on which the security hereby created has been finally released and discharged.
Senior Lender	The Council of the City of Plymouth.
Taxes	includes all present and future income, capital, corporation and other taxes stamp and capital duties, value added or other turnover taxes and all levies, imposts, deductions, charges, fees and withholdings of any kind together with interest and penalties with respect to them and Tax shall be construed accordingly.

1.2 In this deed:

- 1.2.1 clause and schedule headings shall not affect the interpretation of this deed;
- 1.2.2 a reference to a **person** shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality) and that person's personal representatives, successors, permitted assigns and permitted transferees;
- 1.2.3 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- 1.2.4 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- 1.2.5 a reference to a party shall include that party's successors, permitted assigns and permitted transferees;
- 1.2.6 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- 1.2.7 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- 1.2.8 a reference to **writing** or **written** does not include fax or e-mail;
- 1.2.9 an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- 1.2.10 a reference to **this deed** (or any provision of it) or to any other agreement or document referred to in this deed is a reference to this deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this deed) from time to time;
- 1.2.11 unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this deed and a reference to a paragraph is to

a paragraph of the relevant Schedule;

1.2.12 any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;

1.2.13 a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly);

1.2.14 a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;

1.2.15 a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it; and

1.2.16 a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

2 COVENANT TO PAY

2.1 The Borrower hereby covenants with the Lender that it will on demand pay or discharge the Borrower's Liabilities when due to the Lender.

3 FIXED AND FLOATING CHARGES

3.1 The Borrower with full title guarantee and as continuing security for the payment of the Borrower's Liabilities, hereby charges in favour of the Lender:

3.1.1 by way of fixed charge:

3.1.1.1 all right, title estate and other interests of the Borrower in any Property (which for the purpose of this deed shall include the equivalent property in any other jurisdiction) wheresoever situated and whether now owned or subsequently acquired by the Borrower during the Security Period including, without limitation, the Property described (if any) in Schedule 1;

3.1.1.2 all the Fixtures, together with vehicles, computers and other equipment of the Borrower both present and future and all spare parts, replacements, modifications and additions and the full benefit of all warranties and contracts relating to the same but excluding stock-in-trade or work in progress of the Borrower;

3.1.1.3 all stocks, shares and other securities in any subsidiary of the Borrower now or at any time during the Security Period belonging to the Borrower;

3.1.1.4 its present and future uncalled capital and goodwill;

3.1.1.5 all licences, patents, copyrights and service marks, names and styles whether or not registered or registrable and rights in confidential information know-how systems and techniques or intellectual property

of any description now or at any time belonging to the Borrower;

3.1.1.6 all present and future contracts or Insurance Policies in which the Borrower now or hereafter has an interest and all moneys from time to time payable thereunder including any refund of premiums;

3.1.2 by way of floating charge:

3.1.2.1 the book debts and other debts due or owing to the Borrower both present and future (together the **Debts**) including, without limitation all sale proceeds in respect of all the Debts and the full benefit of all rights and remedies relating to them and the benefit of all securities and guarantees now or at any time enjoyed or held by the Borrower in relation them;

3.1.2.2 all the undertakings and all the Assets, rights and other interests of the Borrower both present and future (i) not otherwise effectively mortgaged or charged under this 3.1, and/or (ii) situate in, or governed by the law of England and Wales, whether or not otherwise effectively mortgaged or charged under this clause 3.1.

3.2 The charges created by clause 3.1.2 shall be a floating charge unless and until they are converted into a fixed charge pursuant to clause 4 or by operation of law.

3.3 Paragraph 14 of Schedule B1 to the Insolvency Act (incorporated to the Enterprise Act 2002) shall apply to any floating charge created pursuant to this deed.

4 CONVERSION OF FLOATING CHARGE

4.1 The Lender may, in its sole discretion, at any time and by written notice to the Borrower, convert the floating charge created under this deed into a fixed charge as regards any part of the Assets specified by the Lender in that notice.

4.2 The floating charge created by this deed shall automatically and without notice be converted into a fixed charge:

4.2.1 in respect of any Assets subject to it which shall become subject to an Encumbrance (other than in respect of the Existing Security) or to a disposition contrary to clause 9; or

4.2.2 if an Enforcement Event takes place.

5 ASSIGNMENT

5.1 As continuing security for the payment and discharge of the Borrower's Liabilities, the Borrower with full title guarantee assigns to the Lender absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Borrower's Liabilities:

5.1.1 all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy; and

5.1.2 the benefit of each Relevant Agreement and the benefit of any guarantee or security for the performance of an Relevant Agreement.

6 CONTINUING SECURITY

- 6.1 The security constituted by this deed shall be continuing security and shall not be satisfied by any intermediate payment, satisfaction or discharge of the whole or any part of any of the Borrower's Liabilities.
- 6.2 The security hereby given shall be in addition to and shall not be affected by any other Encumbrance now or hereafter held or enjoyed by the Lender for all or any of the Borrower's Liabilities.
- 6.3 Subject to clause 24.3, upon proof being given to the satisfaction of the Lender that all the Borrower's Liabilities and other obligations and moneys hereby secured have been discharged, satisfied or paid in full the Lender shall execute and do all such deeds, acts and things as may be necessary to release the Assets from the security constituted by this deed.

7 LIABILITY OF THE BORROWER

- 7.1 The Borrower's liability under this deed in respect of any of the Borrower's Liabilities shall not be discharged, prejudiced or affected by:
- 7.1.1 any security, guarantee, indemnity, remedy or other right held by, or available to, the Lender that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- 7.1.2 the Lender renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or
- 7.1.3 any other act or omission that, but for this clause 7.1 might have discharged, or otherwise prejudiced or affected, the liability of the Borrower.
- 7.2 The Borrower waives any right it may have to require the Lender to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this deed against the Borrower.

8 REPRESENTATIONS AND WARRANTIES

- 8.1 The Borrower makes the representations and warranties set out in this clause 8 to the Lender on the date of this deed, and shall be deemed to be repeated on each day of the Security Period with reference to the facts and circumstances then existing:
- 8.1.1 the Borrower is the legal and beneficial owner of the Assets;
- 8.1.2 the Borrower has not created any Encumbrances over any of the Assets prior to the execution of this deed other than the disclosed Existing Security;
- 8.1.3 the Borrower has power to enter into this deed and has taken all necessary corporate and other action to authorise the execution, delivery and performance of its obligations under this deed;
- 8.1.4 the execution and delivery of this deed and compliance by the Borrower with the covenants on its part contained herein does not and will not breach the terms of any agreement to which the Borrower is a party to or of its

memorandum and articles of association or which may be binding on the Assets;

8.1.5 the Borrower has not received, or acknowledged notice of, any adverse claim by any person in respect of the Assets or any interest in them;

8.1.6 there are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever that materially and adversely affect the Assets;

8.1.7 there is no breach of any law or regulation that materially and adversely affects the Assets;

8.1.8 this deed constitutes and will constitute the legal, valid, binding and enforceable obligations of the Borrower, and is and will continue to be effective security over all and every part of the Assets in accordance with its terms; and

8.1.9 the Borrower is in compliance and will continue to be compliance with all applicable Environmental Legislation.

9 GENERAL COVENANTS

9.1 The Borrower shall not without the prior written consent of the Lender:

9.1.1 purport to create or permit to subsist over all or any of the Assets any Encumbrance other than (i) the security constituted by this deed; and (ii) the Existing Security;

9.1.2 sell, assign, transfer, part with possession of, or otherwise dispose of in any manner (or purport to do so), all or any part of, or any interest in, the Assets (except, in the ordinary course of business, Assets that are only subject to an uncrystallised floating charge); or

9.1.3 create or grant (or purport to create or grant) any interest in the Assets in favour of a third party.

9.2 The Borrower shall not do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Lender, or materially diminish the value of any of the Assets or the effectiveness of the security created by this deed.

9.3 The Borrower shall not, without the Lender's prior written consent, use or permit the Assets to be used in any way contrary to law.

9.4 The Borrower shall:

9.4.1 comply with the requirements of any law and regulation relating to or affecting the Assets or the use of it or any part of them;

9.4.2 obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Assets or their use or that are necessary to preserve, maintain or renew any Asset; and

9.4.3 promptly effect any maintenance, modifications, alterations or repairs that are required by any law or regulation to be effected on or in connection with the Assets.

10 INTERCREDITOR DEED

The provisions of this deed are subject to the terms and conditions set out in the Intercreditor Deed.

11 DEBTS AND FURTHER COVENANTS

11.1 Except as the Lender may otherwise direct the Borrower will:

11.1.1 get in and realise the Debts in the ordinary course of its business (which shall not extend to the selling or assigning or in any other way factoring or discounting the same);

11.1.2 pay into its current account, all monies which it may receive in respect of the Debts and (subject to any rights of the Lender in respect of such account) pay or otherwise deal with such monies standing in such account in accordance with any directions from time to time given in writing by the Lender. The Borrower shall on demand by the Lender provide full statements and particulars of all the Borrower's bank accounts and such other financial statements as are from time to time required by the Lender.

11.2 The Borrower hereby covenants with the Lender that during the Security Period the Borrower shall:

11.2.1 keep all of the buildings and all Fixtures, plant, machinery, fittings, vehicles, computers and equipment and effects comprised in the Assets and every part of such Assets in good working order and in a condition that is no worse than as at the date of this deed (except for fair wear and tear and replacement from time to time as required) and insured with such insurer and against such risks and in such amounts and otherwise upon such terms as the Lender may reasonably require (and failing such requirement in accordance with the practice in respect of assets of the same type from time to time current) and will procure that the interest of the Lender is noted upon all policies of such insurance and (if the Lender so requires) will produce to the Lender all such policies and the receipts for all premiums and other payments necessary for effecting and keeping up such policies and it is hereby agreed:

11.2.1.1 that the Lender may (but without being under any duty to do so) itself repair any of the buildings and all Fixtures, plant, machinery, fittings, vehicles, computers and equipment and effects comprised in the Assets and every part of such Assets (and may for that purpose enter upon any premises of the Borrower and have access to necessary documents and personnel of the Borrower without being deemed to have gone into possession of any such premises) or itself insure and keep insured any of the Assets which the Borrower has in this clause covenanted to insure and that the Borrower shall be liable to the Lender for the reasonable expenses incurred by the Lender in so doing together with interest at the Default Rate; and

11.2.1.2 that all sums at any time payable under any of such policies of insurance shall be paid to the Lender (and if the same be not paid directly to the Lender by the insurers then the Borrower shall be trustee of the same for the benefit of the Lender and shall account to the Lender accordingly) and shall at the option of the Lender be applied in the making good or recouping of expenditure in respect of the loss or damage for which such moneys are received or towards

discharge or reduction of any of the Borrower Liabilities;

- 11.2.2 procure that no person shall be or become entitled to any proprietary right or interest (other than the Existing Security) or do any other act or thing which might affect the value of the Assets without the prior written consent of the Lender;
- 11.2.3 on being so required by notice in writing by the Lender, deposit with them all the deeds and documents of title relating to the Debts and the Assets and/or on the occurrence of an Enforcement Event execute such legal mortgage, charge or assignment over all or any of the Assets in favour of the Lender or otherwise in such form as the Lender may require;
- 11.2.4 carry on and conduct and procure its subsidiaries (so long as they respectively carry on business) to carry on and conduct its and their respective affairs in a proper and efficient manner;
- 11.2.5 notify the Lender of any proposal or contract made by the Borrower for the acquisition by the Borrower of any Property and shall at any time if called upon to do so by the Lender execute over all or any part of such property a charge by way of legal mortgage (or equivalent fixed security in any other jurisdiction) in favour of the Lender in such form as the Lender may require and in the case of any leasehold property shall use its best endeavours to obtain any requisite consents therefor from the lessor;
- 11.2.6 promptly inform the Lender of any event which may affect (i) the title of the Borrower to any of its Properties or any Fixtures or (ii) the fulfilment by the Borrower of any of its covenants or obligations hereunder;
- 11.2.7 allow the Lender or its agents at all reasonable times to enter or inspect the Assets;
- 11.2.8 observe and perform all covenants and stipulations from time to time affecting its Properties or the mode of use or enjoyment of the same and not without the prior consent in writing of the Lender enter into any onerous or restrictive obligations affecting any such Assets or make any structural or material alteration to them;
- 11.2.9 in relation to the Assets and their use or enjoyment comply with all obligations under any present or future statute, regulation, order or instrument;
- 11.2.10 not without the prior consent in writing of the Lender exercise any of the powers of leasing or agreeing to lease vested in or conferred on mortgagors or create or suffer to be created a tenancy of any description of the whole or any part of the Properties or confer upon any person any contractual licence, right or interest to occupy the whole or any part of the said property or accept or agree to accept a surrender of any lease, underlease, tenancy, licence or agreement;
- 11.2.11 punctually pay and indemnify the Lender and any Receiver appointed by it against all existing and future rent rates, Taxes, duties, charges, assessments, impositions and outgoings whatsoever payable in respect of the Assets or any part of such Assets or by the owner or occupier of them. If any such sums shall be paid by the Lender or by any Receiver the same shall be repaid by the Borrower on demand with interest at the Default Rate;

11.2.12 not without the prior consent in writing of the Lender redeem or purchase its own shares nor pay an abnormal amount by way of dividend; and

11.2.13 not do or cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value to the Lender of the security hereby created and not (without the prior consent in writing of the Lender) incur any expenditure or liabilities of an exceptional or unusual nature.

12 POWERS OF LENDER

12.1 Section 103 of the LPA will not apply to this deed but the statutory power of sale, as between the Lender and a purchaser will arise upon and be exercisable at any time after the execution of this deed provided that the Lender will not exercise the power of sale until payment of all or any part of the Borrower's Liabilities has been demanded or the Receiver has been appointed but this proviso will not affect a purchaser or put him upon inquiry whether such demand or appointment has been validly made.

12.2 The restriction on the right of consolidation contained in section 93 of the LPA shall not apply to this deed.

12.3 The statutory powers of sale leasing and accepting surrender conferred on the Lender shall be extended so as to authorise the Lender to lease and make agreements for leases at a premium or otherwise and accept surrenders of lease and grant options as the Lender shall consider expedient and without the need to observe any of the provisions of Sections 99 and 100 of the LPA.

13 POWER TO REMEDY

13.1 The Lender shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Borrower of any of its obligations contained in this deed.

13.2 The Borrower irrevocably authorises the Lender and its agents to do all things that are necessary or desirable for that purpose.

13.3 Any monies expended by the Lender in remedying a breach by the Borrower of its obligations contained in this deed shall be reimbursed by the Borrower to the Lender on a full indemnity basis and shall carry interest at the Default Rate.

13.4 The rights of the Lender under clauses 13.1 to 13.3 are without prejudice to any other rights of the Lender under this deed. The exercise of any rights of the Lender under this deed shall not make the Lender liable to account as a mortgagee in possession.

14 ENFORCEMENT EVENTS

14.1 The security constituted by this deed shall be immediately enforceable if an Event of Default occurs, whereby:

14.1.1 all floating charges created under this deed will automatically crystallise without need for notice; and

14.1.2 at any time after any such Enforcement Event, the Lender may declare by written notice to the Borrower that the Borrower's Liabilities (or such of them as the Lender may specify in the relevant notice) are immediately due and

payable or (if the Lender so specifies) are payable forthwith on demand and the security hereby conferred shall become immediately enforceable and the Lender's statutory and other rights shall be immediately exercisable upon and at any time after the occurrence of any such event.

- 14.2 After this security has become enforceable the Lender may in its absolute discretion enforce all or any part of this security in such manner as in its absolute discretion it shall determine.

15 APPOINTMENT OF RECEIVER OR ADMINISTRATOR

- 15.1 At any time after this security becomes enforceable (whether or not any Enforcement Event is continuing) or if requested by the Borrower in writing the Lender may without further notice appoint at its option under seal, by execution as a deed, or by writing under the hand of any director or authorised officer of the Lender one or more Qualified Persons to be an administrative receiver, receiver or receiver and manager (each a **Receiver**) of all or any part of the Assets in like manner in every respect as if the Lender had become entitled under the LPA to exercise the power of sale thereby conferred in respect of all or part of the Assets (as the case may be) or an administrator of the Borrower. **Qualified Person** means a person who under the Insolvency Act is qualified to act as a receiver of the property of any Borrower with respect to which he is appointed or (as the case may require) an administrator of any such Borrower.

- 15.2 Where two or more persons are appointed to be a Receiver or an administrator they will have power to act separately.

16 POWERS OF RECEIVER

- 16.1 Every Receiver appointed under clause 15 shall have and be entitled to exercise all powers conferred by the LPA as if such Receiver had been duly appointed thereunder. A Receiver who is an administrative receiver or administrator of the Borrower shall have all the powers of an administrative receiver or administrator (as applicable) under the Insolvency Act.

- 16.2 The Lender may, without further notice (subject to section 45 of the Insolvency Act 1986), from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

- 16.3 The Lender may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA, and the remuneration of the Receiver shall be a debt secured by this deed, which shall be due and payable immediately on its being paid by the Lender.

- 16.4 In particular by way of addition to but without hereby limiting any general powers referred to above every Receiver so appointed shall have power to do the following things:

16.4.1 to take immediate possession of, collect and get in all or any of the Assets, exercise in respect of any shares or securities all voting or other powers or rights available to a registered holder of such shares or securities in such manner as he may think fit and make such demands and take any proceedings in the name of the Borrower as may seem expedient;

16.4.2 to carry on, manage, develop, reconstruct, amalgamate or diversify or concur

in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Borrower;

- 16.4.3 without the restrictions imposed by Section 103 of the LPA or the need to observe any of the provisions of Sections 99 and 100 of the LPA to sell or concur in selling, assign or concur in assigning, lease or concur in leasing and accept or concur in accepting surrenders of leases of all or any of the Assets in respect of which the Receiver is appointed in such manner and generally on such terms and conditions as he thinks fit and to carry any such sale leasing or surrender into effect by conveying, leasing or accepting surrenders. Any such sale may be for such consideration as the Receiver shall think fit and may be transacted without the consent of the Borrower being obtained;
- 16.4.4 to sell and assign all or any of the Debts in respect of which the Receiver is appointed in such manner and generally on such terms and conditions as he thinks fit;
- 16.4.5 to make any arrangement or compromise between the Borrower and any other person which he may think expedient;
- 16.4.6 to make and effect repairs and/or improvements to the Assets as he may think expedient or to allow time for payment or to enter into, abandon, cancel or disregard any contracts which he shall think expedient;
- 16.4.7 to make calls conditionally or unconditionally on the members of the Borrower in respect of the uncalled capital with such and the same powers for that purpose and for the purpose of enforcing payments of any calls so made as are by the Articles of Association of the Borrower conferred on the directors of the Borrower in respect of calls authorised to be made by them;
- 16.4.8 to appoint managers, officers, servants, workmen and agents for the aforesaid purposes at such salaries and for such periods and on such terms as the Receiver may determine;
- 16.4.9 if he thinks fit to effect with any insurer any policy or policies of insurance;
- 16.4.10 for any of the purposes authorised by this clause to raise money by borrowing from any person on the security of all or any of the Debts and Assets in respect of which the Receiver is appointed upon such terms as the Receiver shall think fit;
- 16.4.11 to give valid receipts for all moneys and execute all assurances and things which may be proper or desirable for realising the Assets;
- 16.4.12 to form a subsidiary or subsidiaries of the Borrower and transfer to any such subsidiary all or any part of the Assets;
- 16.4.13 without any further consent by or notice to the Borrower, to exercise on behalf of the Borrower all the powers and provisions conferred upon a landlord or a tenant by any legislation from time to time in force in respect of any part of the property hereby charged but without any obligation to exercise any of such powers and without any liability in respect of powers so exercised or omitted to be exercised;
- 16.4.14 to promote the formation of companies with the view to the same purchasing, leasing, licensing or otherwise acquiring interests in all or any of

the charged Assets or otherwise to arrange for such companies to trade or cease to trade and to purchase, lease, licence or otherwise acquire all or any of the charged Assets on such terms and conditions, whether or not including payment by instalments secured or unsecured, as he may think fit;

16.4.15 to sign any document, execute any deed and do all such other acts and things as may be considered by him to be incidental or conducive to any of the matters or powers aforesaid or to the realisation of the Lender's security and to use the name of the Borrower for all the above purposes.

16.5 If there is any ambiguity or conflict between the powers contained in the LPA and those contained in this deed the terms of this deed shall prevail.

17 ORDER OF APPLICATION OF PROCEEDS

17.1 All monies received by the Lender or every Receiver pursuant to this deed, after the security constituted by this deed has become enforceable, shall (subject to the claims of any person having prior rights and by way of variation of the LPA) be applied in the following order of priority:

17.1.1 in or towards payment of or provision for all costs, charges and expenses incurred by or on behalf of the Lender (and any Receiver or, attorney or agent appointed by it) under or in connection with this deed, and of all remuneration due to any Receiver under or in connection with this deed;

17.1.2 in or towards payment of or provision for the Borrower's Liabilities in any order and manner that the Lender determines; and

17.1.3 in payment of the surplus (if any) to the Borrower or other person entitled to it.

17.2 Neither the Lender nor the Receiver shall be bound (whether by virtue of section 109(8) of the LPA, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Borrower's Liabilities.

17.3 All monies received by the Lender or any Receiver under this deed:

17.3.1 may, at the discretion of the Lender or any Receiver, be credited to any suspense or securities realised account;

17.3.2 shall bear interest, if any, at the rate agreed in writing between the Lender and the Borrower; and

17.3.3 may be held in that account for so long as the Lender or Receiver thinks fit.

18 NO LIABILITY AS MORTGAGEE IN POSSESSION

18.1 The Lender shall not nor shall any Receiver (by reason of either or both entering into possession of all or any of the Assets) or any administrator be liable to account as mortgagee in possession in respect of all or any of the Debts or Assets nor be liable for any loss upon realisation or for any neglect or default of any nature whatsoever in connection with all or any of the Debts or Assets for which a mortgagee in possession might be liable.

18.2 Every Receiver or administrator duly appointed by the Lender shall be deemed to be the agent of the Borrower so far as the law permits and shall as such agent for all

purposes be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the LPA. The Borrower alone shall be responsible for all contracts, engagements, acts, omissions, defaults and losses and for liabilities entered into or incurred by the Receiver or administrator and the Lender shall not incur any liability therefor (either to the Borrower or to any other person whatsoever) by reason of making such appointment as Receiver or administrator or for any other reason whatsoever.

19 PROTECTION OF THIRD PARTIES

19.1 No purchaser, mortgagee or other person dealing with the Lender or any Receiver shall be concerned to enquire:

19.1.1 whether any of the Borrower's Liabilities have become due or payable, or remain unpaid or undischarged;

19.1.2 whether any power the Lender or any Receiver is purporting to exercise has become exercisable or is properly exercisable; or

19.1.3 how any money paid to the Lender or any Receiver is to be applied.

20 EXPENSES AND RECEIVER'S REMUNERATION

20.1 The Borrower shall, within 10 Business Days of demand, pay to, or reimburse, the Lender and any Receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Lender or any Receiver or in connection with:

20.1.1 this deed or the Assets;

20.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lender's or each Receiver's rights under this deed; or

20.1.3 taking proceedings for, or recovering, any of the Borrower's Liabilities,

together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost or expense arose until full discharge of that cost or expense (whether before or after judgment, liquidation, winding up or administration of the Borrower) at the rate and in the manner specified in the Facility Agreement.

20.2 The Borrower shall indemnify the Lender and each Receiver and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:

20.2.1 the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this deed or by law in respect of the Assets;

20.2.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this deed; or

20.2.3 any default or delay by the Borrower in performing any of its obligations under this deed.

- 20.3 Any past or present employee or agent of the Lender or any Receiver may enforce the terms of clause 20.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

21 TAXES

- 21.1 All payments by the Borrower under or in connection with this deed shall be made without set-off, counterclaim or withholding, free and clear of and without deduction for or on account of all Taxes.
- 21.2 If the Borrower is compelled by law to make payment subject to any Tax and the Lender does not actually receive for its own benefit on the due date a net amount equal to the full amount provided for hereunder, the Borrower will pay all necessary additional amounts to ensure receipt by the Lender of the full amount so provided for. The Borrower will indemnify the Lender in respect of all such Taxes.

22 FURTHER ASSISTANCE

The Borrower shall at its own expense execute make and do all such assurances, acts and things as the Lender may reasonably require for perfecting or protecting the security over the Assets or any part of such Assets or for facilitating the realisation of the Assets or any part and in the exercise of all powers, authorities and discretions vested in the Lender or in any Receiver of the Assets or any part of such Assets or in any such delegate or sub-delegate as aforesaid. The Borrower shall in particular execute all transfers, conveyances, assignments and assurances of such property whether to the Lender or to its nominees and give all notices, orders and directions which the Lender may think expedient.

23 POWER OF ATTORNEY

- 23.1 The Borrower hereby by way of security and in order more fully to secure the performance of its obligations under this deed irrevocably appoints the Lender and every Receiver or administrator appointed under this deed acting severally to be its attorney and on its behalf and in its name or otherwise to execute and do all such assurances, acts and things which the Borrower ought to do under the covenants and provisions contained in this deed and generally in its name and on its behalf to exercise all or any of the powers, authorities and discretions conferred by or pursuant to this deed or by statute on the Lender or any such Receiver or administrator and to execute any deed, assurance, agreement, instrument or act which it or he may deem proper in or for the purpose of exercising any of such powers, authorities and discretions.
- 23.2 The Borrower hereby ratifies and confirms and agrees to ratify and confirm whatever any such attorney as is mentioned above shall do or purport to do in the exercise or purported exercise of all or any of the powers, authorities and discretions referred to in clause 23.1.

24 FURTHER PROVISIONS

- 24.1 This deed shall be in addition to, and independent of, any other security or guarantee that the Lender may hold for any of the Borrower's Liabilities at any time. No prior security held by the Lender over the whole or any part of the Assets shall merge in the security created by this deed.
- 24.2 This deed shall remain in full force and effect as a continuing security for the Borrower's Liabilities, despite any settlement of account, or intermediate payment, or

other matter or thing, unless and until the Lender discharges this deed in writing.

- 24.3 Any release, discharge or settlement between the Borrower and the Lender shall be deemed conditional on no payment or security received by the Lender in respect of the Borrower's Liabilities being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:

24.3.1 the Lender or its nominee may retain this deed and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Assets, for any period that the Lender deems necessary to provide the Lender with security against any such avoidance, reduction or order for refund; and

24.3.2 the Lender may recover the value or amount of such security or payment from the Borrower subsequently as if the release, discharge or settlement had not occurred.

- 24.4 A certificate or determination by the Lender as to any amount for the time being due to it from the Borrower under this deed shall be, in the absence of any manifest error, conclusive evidence of the amount due.

25 AMENDMENTS, REMEDIES, WAIVERS AND CONSENTS

- 25.1 No amendment of this deed shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

- 25.2 No failure on the part of the Lender to exercise and no delay on its part in exercising any right or remedy under this deed will operate as a waiver such right or remedy nor will any single or partial exercise of any right or remedy preclude any other or future exercise of such rights or remedies or the exercise of any other right or remedy. The rights and remedies provided in this deed are cumulative and not exclusive of any rights or remedies provided by law.

- 25.3 Any waiver and any consent by the Lender under this deed must be in writing and may be given subject to any conditions thought fit by the Lender. Any waiver or consent shall be effective only in the instance and for the purpose for which it is given.

26 ASSIGNMENT AND TRANSFER

- 26.1 At any time, without the consent of the Borrower, the Lender may assign or transfer any or all of its rights and obligations under this deed.

- 26.2 The Lender may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Borrower, the Assets and this deed that the Lender considers appropriate.

- 26.3 The Borrower may not assign any of its rights, or transfer any of its rights or obligations, under this deed.

- 26.4 This deed will remain enforceable, valid and binding for all purposes if the Lender changes its name or constitution or merges, is amalgamated or consolidated with any other person. Even if any of those matters happen in connection with the Lender's successors or transferees which afterwards carries on the Lender's business, this deed will remain enforceable, valid and binding.

27 CURRENCY CONVERSION

For the purpose of or pending the discharge of any of the Borrower's Liabilities the Lender may convert any moneys received, recovered or realised by the Lender under this deed from their existing currency of denomination into such other currency of denomination as the Lender may think fit and any such conversion shall be effected at a then prevailing spot selling rate of exchange for such other currency against the existing currency as the Lender may in its discretion select.

28 SET-OFF

The Lender may at any time set off any liability of the Borrower to the Lender against any liability of the Lender to the Borrower, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this deed. Any exercise by the Lender of its rights under this clause 28 shall not limit or affect any other rights or remedies available to it under this deed or otherwise.

29 COUNTERPARTS

- 29.1 This deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.
- 29.2 No counterpart shall be effective until each party has executed and delivered at least one counterpart.

30 THIRD PARTY RIGHTS

Except as expressly provided in clause 20.2, a person who is not a party to this deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

31 GENERAL

- 31.1 The rights and remedies of the Lender herein provided are in addition to and not in substitution for any rights or remedies provided by law.
- 31.2 Each of the provisions of this deed are severable and distinct from the others and if at any time one or more of such provisions is or becomes invalid, illegal or unenforceable the validity, legality and enforceability of the remaining provisions of this deed shall not in any way be affected or impaired thereby.

32 NOTICES

- 32.1 Any notice or other communication given to a party under or in connection with this deed shall be:
 - 32.1.1 in writing;
 - 32.1.2 delivered by hand by pre-paid first-class post or other next working day delivery service; and sent to:
 - 32.1.2.1 the Borrower at:

Low Carbon Team, Ballard House, West Hoe Road, Plymouth,
Devon, PL1 3BJ

Attention: Alistair Macpherson

32.1.2.2 the Lender at:

The Community Investment Fund L.P. (acting through its
General Partner, Social and Sustainable Capital LLP)

2nd Floor CAN Mezzanine Building, 7-14 Great Dover Street,
London, SE1 4YR

Attention: Benjamin Rickor to any other address as is notified
in writing by one party to the other from time to time.

32.2 Any notice or other communication that the Lender gives to the Borrower shall be deemed to have been received:

32.2.1 if delivered by hand, at the time it is left at the relevant address; and

32.2.2 if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting.

32.3 A notice or other communication given as described in clause 32.2.1 or clause 32.2.2 on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

32.4 Any notice or other communication given to the Lender shall be deemed to have been received only on actual receipt.

32.5 A notice or other communication given under or in connection with this deed is not valid if sent by Fax or e-mail.

33 GOVERNING LAW AND JURISDICTION

33.1 This deed and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

33.2 Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim that arises out of, or in connection with this deed or its subject matter or formation (including non-contractual disputes or claims). Nothing in this clause shall limit the right of the Lender to take proceedings against the Borrower in any other court of competent jurisdiction, nor shall the taking of proceedings by the Lender in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

SCHEDULE 1 – PARTICULARS OF PROPERTIES

The leasehold land at the land at Ernesettle Lane, Plymouth, PL5 2EY as more particularly described in the Lease dated 20 January 2016 and made between (1) The Council of the City of Plymouth (as landlord) and (2) the Borrower (as tenant).

SCHEDULE 2 – RELEVANT AGREEMENTS

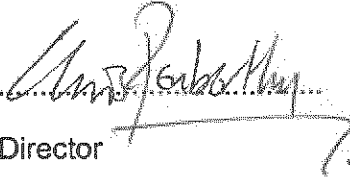
Agreement	Parties	Date
EPC Contract	(1) EPC Contractor (2) Borrower	22 January 2016 (Deed of Variation dated 11 February 2016)
Operation and maintenance agreement	(1) O&M Contractor (2) Borrower	22 January 2016
Power Purchase Agreement	(1) Power Purchaser (2) Borrower	19 February 2016
Power Purchase Guarantee	(1) PPA Guarantor (2) Borrower	19 February 2016
Lease	(1) Lender (2) Borrower	20 January 2016
Grid Connection Offer	(1) Borrower (2) DNO	Offer dated 6 November 2014, accepted 2 February 2015, novated to Borrower on 17 December 2015
Management Services Agreement	(1) Parent Company (2) Borrower	15 February 2016
Technical Services Appointment	(1) SgurrEnergy Ltd (2) Borrower	19 February 2016
Deed of Covenant	(1) Borrower (2) Parent Company (3) EPC Contractor	22 December 2015
Option Agreement	(1) Parent Company (2) EPC Contractor	22 December 2015

SCHEDULE 3 -- EXISTING SECURITY

1. Debenture dated on or around the date of this deed between the Senior Lender and the Borrower
2. The Legal Charge dated on or around the date of this deed between the Lender and the Borrower
3. The Legal Charge dated on or around the date of this deed between the Senior Lender and the Borrower.

IN WITNESS whereof this deed has been executed and delivered as a deed on the day and year first above written.

Signed by
duly authorised for and on behalf of
**ERNESETTLE COMMUNITY SOLAR
LIMITED**


Director

Witness

Signature: P. Collison

Name: Philippa Collison

Address: Stephen's Scown LLP

Curzon House

Exeter

Occupation: Trainee Solicitor

Signed by for
and on behalf of **THE COMMUNITY
INVESTMENT FUND L.P. (ACTING BY ITS
GENERAL PARTNER, SOCIAL AND
SUSTAINABLE CAPITAL LLP)**

Authorised Signatory

Witness

Signature:

Name:

Address:

.....

.....

Occupation:

