



Registration of a Charge

Company name: **KRUTON (NO2) LIMITED**

Company number: **10006877**



X70DDM8S

Received for Electronic Filing: **23/02/2018**

Details of Charge

Date of creation: **22/02/2018**

Charge code: **1000 6877 0001**

Persons entitled: **EDENHOLME ESTATES LIMITED**

Brief description: **THE FREEHOLD LAND BEING 9-12 MIDDLE STREET, BRIGHTON (BN1 1AL) REGISTERED UNDER HM LAND REGISTRY TITLE NUMBER ESX236191**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC**

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

Certified by:

BERWIN LEIGHTON PAISNER LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 10006877

Charge code: 1000 6877 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 22nd February 2018 and created by KRUTON (NO2) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 23rd February 2018 .

Given at Companies House, Cardiff on 27th February 2018

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 22 February 2018

KRUTON (NO2) LIMITED
as Chargor

EDENHOLME ESTATES LIMITED
as Lender

LEGAL MORTGAGE

We certify that save for material redacted pursuant to section 859G

Companies House Act 2006

This copy instrument is a correct copy of the original instrument

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Contents

Clause	Name	Page
1	Definitions and interpretation.....	1
2	Covenant to pay.....	4
3	Grant of security	4
4	Perfection of security.....	6
5	Liability of the Chargor	7
6	Representations and warranties	7
7	General covenants	8
8	Properties covenants	10
9	Rent covenants	15
10	Powers of the Lender	15
11	When security becomes enforceable.....	16
12	Enforcement of security	16
13	Receivers.....	18
14	Powers of Receiver.....	19
15	Delegation	21
16	Application of proceeds	22
17	Costs and indemnity.....	23
18	Further assurance	23
19	Power of attorney	24
20	Release	24
21	Assignment and transfer.....	24
22	Set-off.....	25
23	Amendments, waivers and consents.....	25
24	Severance.....	25
25	Counterparts.....	26
26	Third party rights	26
27	Further provisions	26
28	Notices	27
29	Governing law and jurisdiction	28
Schedule	Name	Page
	Chargor and Properties.....	29
Execution Page		30

DATED

2018

PARTIES

- (1) **THE COMPANY** whose name and company number appears in Schedule 1 (Chargor).
- (2) **EDENHOLME ESTATES LIMITED** incorporated and registered in England and Wales with company number 05965666 whose registered office is at 843 Finchley Road, London NW11 8NA (Lender).

BACKGROUND

- (A) The Lender has agreed, under the Facility Letter, to provide the Chargor with loan facilities on a secured basis.
- (B) The Chargor owns the Properties as set out in Schedule 1.
- (C) This deed provides security which the Chargor has agreed to give the Lender for the loan facilities made or to be made available under the Facility Letter.

OPERATIVE PROVISIONS

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

Terms defined in the Facility Letter shall, unless otherwise defined in this deed, have the same meaning in this deed. In addition, the following definitions apply in this deed:

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.

Charged Properties: all the assets, Properties and undertaking for the time being subject to any Security created by this deed (and references to the Charged Properties shall include references to any part of it).

Delegate: any person appointed by the Lender or any Receiver under clause 15 and any person appointed as attorney of the Lender, Receiver or Delegate.

Environment: the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media.

Environmental Law: all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment.

Environmental Licence: any authorisation, permit or licence necessary under Environmental Law in respect of any of the Charged Properties.

Facility Letter: the facility letter dated 9 March 2016 between the Chargor and the Lender for the provision of the loan facilities secured by this deed.

Insurance Policy: each contract or policy of insurance effected or maintained by the Chargor from time to time in respect of the Properties.

LPA 1925: the Law of Properties Act 1925.

Properties: the freehold or leasehold properties (whether registered or unregistered) owned by the Chargor described in Schedule 1.

Receiver: a receiver or a receiver and manager of any or all of the Charged Properties.

Rent: all amounts payable to or for the benefit of the Chargor by way of rent, licence fee, service charge, dilapidations, ground rent and rent charge in respect of any part of the Properties and other monies payable to or for the benefit of the Chargor in respect of occupation or usage of any part of the Properties, including (without limitation) for display of advertisements on licence or otherwise.

Secured Liabilities: all present and future monies, obligations and liabilities of the Chargor to the Lender, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, under or in connection with the Facility Letter or this deed (including, without limitation, those arising under clause 27.3(b)) together with all interest (including, without limitation, default interest) accruing in respect of those monies, obligations or liabilities.

Security: any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.

Security Period: the period starting on the date of this deed and ending on the date on which the Lender is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.

Valuation: any valuation relating to the Properties supplied to the Lender by the Chargor (or on its behalf).

VAT: value added tax.

1.2 **Interpretation**

1.3 In this deed:

- (a) clause, Schedule and paragraph headings shall not affect the interpretation of this deed;
- (b) 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;

- (c) unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- (d) unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- (e) a reference to a party shall include that party's successors, permitted assigns and permitted transferees;
- (f) a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- (g) a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- (h) a reference to **writing** or **written** includes fax but not e-mail;
- (i) an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- (j) 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;
- (k) 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;
- (l) 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;
- (m) a reference to an amendment includes a novation, re-enactment, supplement or variation (and **amended** shall be construed accordingly);
- (n) a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- (o) a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- (p) 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
- (q) 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.

1.4 **Clawback**

If the Lender considers that an amount paid by the Chargor in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Chargor or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this deed.

1.5 **Nature of security over real Properties**

A reference in this deed to a charge or mortgage of or over the Properties includes:

- (a) all buildings and fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery that are situated on or form part of the Properties at any time;
- (b) the proceeds of the sale of any part of the Properties and any other monies paid or payable in respect of or in connection with the Properties;
- (c) the benefit of any covenants for title given, or entered into, by any predecessor in title of the Chargor in respect of the Properties and any monies paid or payable in respect of those covenants; and
- (d) all rights under any licence, agreement for sale or agreement for lease in respect of the Properties.

1.6 **Law of Properties (Miscellaneous Provisions) Act 1989**

For the purposes of section 2 of the Law of Properties (Miscellaneous Provisions) Act 1989, the terms of the Facility Letter and of any side letters between any parties in relation to the Facility Letter are incorporated into this deed.

1.7 **Perpetuity period**

If the rule against perpetuities applies to any trust created by this deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

1.8 **Schedules**

The Schedules form part of this deed and shall have effect as if set out in full in the body of this deed. Any reference to this deed includes the Schedules.

2 **COVENANT TO PAY**

The Chargor shall, on demand, pay to the Lender and discharge the Secured Liabilities when they become due.

3 **GRANT OF SECURITY**

3.1 **Legal mortgage and fixed charges**

As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee charges to the Lender:

- (a) by way of first legal mortgage, the Properties; and

- (b) by way of first fixed charge:
 - (i) all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy, the Rent and the benefit of any guarantee or security in respect of the Rent to the extent not effectively assigned under clause 3.2;
 - (ii) the benefit of all other contracts, guarantees, appointments and warranties relating to the Charged Properties and other documents to which any Chargor is a party or which are in its favour or of which it has the benefit relating to any letting, development, sale, purchase, use or the operation of the Charged Properties or otherwise relating to the Charged Properties (including, in each case, but without limitation, the right to demand and receive all monies whatever payable to or for its benefit under or arising from any of them, all remedies provided for in any of them or available at law or in equity in relation to any of them, the right to compel performance of any of them and all other rights, interests and benefits whatever accruing to or for its benefit arising from any of them); and
 - (iii) all authorisations (statutory or otherwise) held or required in connection with the Chargor's business carried on at the Properties or the use of any Charged Properties, and all rights in connection with them.

3.2 **Assignment**

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

- (a) all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy; and
- (b) the Rent and the benefit of any guarantee or security in respect of the Rent,

provided that nothing in this clause 3.2 shall constitute the Lender as mortgagee in possession.

3.3 **Floating Charge**

- (a) The Chargor, as security for the payment, performance and discharge of all the Secured Liabilities, charges in favour of the Lender by way of a first floating charge the whole of its undertaking and assets, present and future, including all of its stock in trade and all assets of the Chargor at the Properties.
- (b) The provisions of paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to the floating charge created pursuant to clause 3.3(a).
- (c) The Lender may by notice in writing at any time to the Chargor convert the floating charge created by the Chargor pursuant to clause 3.3(a) with

immediate effect into a fixed charge (either generally or specifically as regards any assets of the Chargor specified in the notice).

- (d) Notwithstanding clause 3.3(c) and without prejudice to any law which may have a similar effect, each floating charge created by clause 3.3(a) will automatically be converted (without notice) with immediate effect into a fixed charge as regards all of the undertaking and assets subject to that floating charge if:
- (i) The Chargor creates or attempts to create any Security over any of the Charged Properties;
 - (ii) Any person levies or attempts to levy any distress, execution or other process against any of the Charged Properties; or
 - (iii) A resolution is passed or an order is made for the winding-up, dissolution, administration or reorganisation of the Chargor or an administrator is appointed in respect of the Chargor.

4 PERFECTON OF SECURITY

4.1 Registration of legal mortgage at the Land Registry

4.2 The Chargor consents to an application being made by the Lender to the Land Registrar for the following restriction in Form P to be registered against its title to the Properties:

4.3 "No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [] in favour of Edenholme Estates Limited referred to in the charges register or their conveyancer."

4.4 Further advances

The Lender covenants with the Chargor that it shall perform its obligations to make advances under the Facility Letter (including any obligation to make available further advances).

4.5 Cautions against first registration and notices

Whether or not title to the Properties is registered at the Land Registry, if any caution against first registration or any notice (whether agreed or unilateral) is registered against the Chargor's title to the Properties, the Chargor shall immediately provide the Lender with full particulars of the circumstances relating to such caution or notice. If such caution or notice was registered to protect a purported interest the creation of which is not permitted under this deed, the Chargor shall immediately, and at its own expense, take such steps as the Lender may require to ensure that the caution or notice, as applicable, is withdrawn or cancelled.

5 LIABILITY OF THE CHARGOR

5.1 Liability not discharged

The Chargor's liability under this deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

- (a) 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;
- (b) 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
- (c) any other act or omission that, but for this clause 5.1, might have discharged, or otherwise prejudiced or affected, the liability of the Chargor.

5.2 Immediate recourse

The Chargor 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 Chargor.

6 REPRESENTATIONS AND WARRANTIES

6.1 Times for making representations and warranties

The Chargor makes the representations and warranties set out in this clause 6 to the Lender on the date of this deed which are deemed to be repeated on each day of the Security Period with reference to the facts and circumstances existing at the time of repetition.

6.2 Ownership of Charged Properties

It is the legal and beneficial owner of the Charged Properties as set out in Schedule 1 and has good and marketable title to the Properties.

6.3 No Security

The Charged Properties is free from any Security other than the Security created by this deed.

6.4 No adverse claims

It has not received, or acknowledged notice of, any adverse claim by any person in respect of the Charged Properties or any interest in it.

6.5 No adverse covenants

There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatever that materially and adversely affect the Charged Properties.

6.6 No breach of laws

There is no breach of any law or regulation that materially and adversely affects the Charged Properties.

6.7 No interference in enjoyment

No facility necessary for the enjoyment and use of the Charged Properties is subject to terms entitling any person to terminate or curtail its use.

6.8 No overriding interests

Nothing has arisen, has been created or is subsisting that would be an overriding interest in the Properties.

6.9 No prohibitions or breaches

There is no prohibition on it assigning its rights in any of the Charged Properties referred to in clause 3.2 and the entry into of this deed by it does not and will not constitute a breach of any policy, agreement, document, instrument or obligation binding on it or its assets.

6.10 Environmental compliance

It has, at all times, complied in all material respects with all applicable Environmental Law and Environmental Licences.

6.11 Avoidance of security

No Security expressed to be created under this deed is liable to be avoided, or otherwise set aside, on its liquidation or administration or otherwise.

6.12 Enforceable security

This deed constitutes and will constitute the legal, valid, binding and enforceable obligations and is and will continue to be effective security over all and every part of the Charged Properties in accordance with its terms.

7 GENERAL COVENANTS

7.1 Negative pledge and disposal restrictions

The Chargor shall not at any time, except with the prior written consent of the Lender:

- (a) create, purport to create or permit to subsist any Security on, or in relation to, any Charged Properties other than any Security created by this deed;
- (b) 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 Charged Properties; or
- (c) create or grant (or purport to create or grant) any interest in the Charged Properties in favour of a third party.

7.2 Preservation of Charged Properties

The Chargor 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 Charged Properties or the effectiveness of the security created by this deed.

7.3 Compliance with laws and regulations

- (a) The Chargor shall, not without the Lender's prior written consent, use or permit the Charged Properties to be used in any way contrary to law.
- (b) The Chargor shall:
 - (i) comply with the requirements of any law or regulation relating to or affecting the Charged Properties or the use of it or any part of it;
 - (ii) obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Charged Properties or its use or that are necessary to preserve, maintain or renew any Charged Properties; and
 - (iii) promptly effect any maintenance, modifications, alterations or repairs to be effected on or in connection with the Charged Properties that are required to be made by it under any law or regulation.

7.4 Enforcement of rights

The Chargor shall use its best endeavours to:

- (a) procure the prompt observance and performance by the relevant counterparty to any agreement or arrangement with it and forming part of the Charged Properties of the covenants and other obligations imposed on such counterparty; and
- (b) enforce any rights and institute, continue or defend any proceedings relating to any of the Charged Properties that the Lender may require from time to time.

7.5 Notice of misrepresentations and breaches

The Chargor shall, promptly on becoming aware of any of the same, give the Lender notice in writing of:

- (a) any representation or warranty set out in this deed that is incorrect or misleading in any material respect when made or deemed to be repeated; and
- (b) any breach of any covenant set out in this deed.

7.6 Title documents

The Chargor shall, on the execution of this deed, deposit with the Lender and the Lender shall, for the duration of this deed, be entitled to hold:

- (a) all deeds and documents of title relating to the Charged Properties that are in its possession or control (and if these are not within its possession and/or control, it undertakes to obtain possession of all these deeds and documents of title); and
- (b) each Insurance Policy.

7.7 Notices to be given by the Chargor

- (a) The Chargor shall within five days of receiving a request in writing from the Lender:
 - (i) give notice to the relevant insurers of the assignment of its rights and interest in and under each Insurance Policy (including the proceeds of any claims under that Insurance Policy) under clause 3.2(a) and procure that each addressee of such notice promptly provides an acknowledgement of that notice to the Lender; and
 - (ii) give notice to the bank, financial institution or other person with whom it has the Rent Account of the charging to the Lender of the Chargor's rights and interests in the Rent and procure that each addressee of such notice promptly provides an acknowledgement of that notice to the Lender.
- (b) The Chargor shall obtain the Lender's prior approval of the form of any notice or acknowledgement to be used under this clause 7.7.

7.8 Chargor's waiver of set-off

The Chargor waives any present or future right of set-off it may have in respect of the Secured Liabilities (including sums payable by it under this deed).

8 PROPERTIES COVENANTS

8.1 Repair and maintenance

The Chargor shall keep all premises, and fixtures and fittings on the Properties, in good and substantial repair and condition and shall keep all premises adequately and properly painted and decorated and replace any fixtures and fittings which have become worn out or otherwise unfit for use with others of a like nature and equal value.

8.2 No alterations

- (a) The Chargor shall not, without the prior written consent of the Lender:
 - (i) pull down or remove the whole or any part of any building forming part of the Properties or permit the same to occur; or
 - (ii) make or permit to be made any material alterations to the Properties or sever or remove or permit to be severed or removed any of its fixtures or fittings (except to make any necessary repairs or renew or replace the same in accordance with clause 8.1).

- (b) The Chargor shall promptly give notice to the Lender if the premises or fixtures or fittings forming part of the Properties are destroyed or damaged.

8.3 Development restrictions

The Chargor shall not without the prior written consent of the Lender:

- (a) make or, in so far as it is able, permit others to make any application for planning permission or development consent in respect of the Properties; or
- (b) carry out or permit or suffer to be carried out on the Properties any development (as defined in each of the Town and Country Planning Act 1990 and the Planning Act 2008) or change or permit or suffer to be changed the use of the Properties.

8.4 Insurance

- (a) The Chargor shall insure and keep insured (or where, in the case of any leasehold Properties, insurance is the responsibility of the landlord under the terms of the lease, either procure that the landlord insures and keeps insured or, if and to the extent that the landlord does not do so, itself insure and keep insured) the Charged Properties against:
 - (i) loss or damage by fire or terrorist acts;
 - (ii) other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Chargor; and
 - (iii) any other risk, perils and contingencies as the Lender may reasonably require.
- (b) If requested by the Lender, any such insurance must be with an insurance company or underwriters and on such terms as are reasonably acceptable to the Lender and must be for not less than the replacement value of the relevant Charged Properties (meaning in the case of any premises on the Properties, the total cost of entirely rebuilding, reinstating or replacing the premises in the event of their being destroyed, together with architects', surveyors', engineers' and other professional fees and charges for demolition and reinstatement) and loss of rents payable by the tenants or other occupiers of the Properties for a period of at least three years.
- (c) The Chargor shall, if requested by the Lender, produce to the Lender each policy, certificate or cover note relating to any insurance required by clause 8.4(a) (or where, in the case of any leasehold Properties, that insurance is effected by the landlord, such evidence of insurance as the Chargor is entitled to obtain from the landlord under the terms of the relevant lease).
- (d) The Chargor shall, if requested by the Lender, procure that the Lender is named as co-insured with the Chargor on each Insurance Policy maintained by it or any person on its behalf in accordance with clause 8.4(a) and the Lender is named as first loss payee and that the terms of each such Insurance Policy require the insurer not to invalidate the policy as against the Lender by reason of the act or default of any other joint or

named insured and not to cancel it without giving at least 30 days' prior written notice to the Lender.

8.5 Insurance premiums

The Chargor shall:

- (a) promptly pay all premiums in respect of each insurance Policy and do all other things necessary to keep that policy in full force and effect; and
- (b) (if the Lender so requires) give to the Lender copies of the receipts for all premiums and other payments necessary for effecting and keeping up each Insurance Policy (or where, in the case of leasehold Properties, insurance is effected by the landlord, such evidence of the payment of premiums as the Chargor is entitled to obtain from the landlord under the terms of the relevant lease).

8.6 No invalidation of insurance

The Chargor shall not do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any Insurance Policy.

8.7 Proceeds from Insurance Policies

All monies payable under any Insurance Policy at any time (whether or not the security constituted by this deed has become enforceable) shall:

- (a) be paid immediately to the Lender;
- (b) if they are not paid directly to the Lender by the insurers, be held, pending such payment, by the Chargor as trustee of the same for the benefit of the Lender; and
- (c) at the option of the Lender, be applied in making good or recouping expenditure in respect of the loss or damage for which those monies are received or in, or towards, discharge or reduction of the Secured Liabilities.

8.8 Leases and licences affecting the Properties

The Chargor shall not, without the prior written consent of the Lender (which consent, in the case of clause 8.8(d), is not to be unreasonably withheld or delayed in circumstances in which the Chargor may not unreasonably withhold or delay its consent):

- (a) grant any licence or tenancy affecting the whole or any part of the Properties, or exercise the statutory powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925 (or agree to grant any such licence or tenancy, or agree to exercise the statutory powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925);
- (b) in any other way dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of the Properties (or agree to dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of the Properties);

- (c) let any person into occupation of or share occupation of the whole or any part of the Properties; or
- (d) grant any consent or licence under any lease or licence affecting the Properties.

8.9 No restrictive obligations

The Chargor shall not, without the prior written consent of the Lender, enter into any onerous or restrictive obligations affecting the whole or any part of the Properties or create or permit to arise any overriding interest, easement or right whatever in or over the whole or any part of the Properties.

8.10 Proprietary rights

The Chargor shall procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of the Properties, without the prior written consent of the Lender.

8.11 Compliance with and enforcement of covenants

The Chargor shall:

- (a) observe and perform all covenants, stipulations and conditions to which the Properties, or the use of it, is or may be subject and (if the Lender so requires) produce to the Lender evidence sufficient to satisfy the Lender that those covenants, stipulations and conditions have been observed and performed; and
- (b) diligently enforce all covenants, stipulations and conditions benefiting the Properties and shall not (and shall not agree to) waive, release or vary any of the same.

8.12 Notices or claims relating to the Properties

(a) The Chargor shall:

- (i) give full particulars to the Lender of any notice, order, direction, designation, resolution, application, requirement or proposal given or made by any public or local body or authority (a **Notice**) that specifically applies to the Properties, or to the locality in which it is situated, within seven days after becoming aware of the relevant Notice; and
 - (ii) (if the Lender so requires) immediately, and at the cost of the Chargor, take all reasonable and necessary steps to comply with any Notice, and make, or join with the Lender in making, any objections or representations in respect of that Notice that the Lender thinks fit.
- (b) The Chargor shall give full particulars to the Lender of any claim, notice or other communication served on it in respect of any modification, suspension or revocation of any Environmental Licence or any alleged breach of any Environmental Law, in each case relating to the Properties.

8.13 Payment of rent and outgoings

The Chargor shall:

- (a) where the Properties, or part of it, is held under a lease, duly and punctually pay all rents due from time to time; and
- (b) pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments and other outgoings relating to or imposed upon the Properties or on its occupier.

8.14 Rent reviews

- (a) The Chargor shall, if the Properties is subject to occupational leases or licences, implement any upwards rent review provisions and shall not, without the prior written consent of the Lender, agree to any change in rent to less than the open market rental value of the relevant part of the Properties.
- (b) The Chargor shall not, without the prior written consent of the Lender, if the Properties is leasehold, agree to any change in the rent payable under the lease in excess of the open market rental value and shall only agree to any upwards rent review in accordance with the terms of the lease.

8.15 Environment

The Chargor shall in respect of the Properties:

- (a) comply in all material respects with all the requirements of Environmental Law; and
- (b) obtain and comply in all material respects with all Environmental Licences.

8.16 Conduct of business on Properties

The Chargor shall carry on its trade and business on those parts (if any) of the Properties as are used for the purposes of trade or business in accordance with the standards of good management from time to time current in such trade or business.

8.17 Inspection

The Chargor shall permit the Lender and any Receiver and any person appointed by either of them to enter on and inspect the Properties on reasonable prior notice.

8.18 VAT option to tax

The Chargor shall not, without the prior written consent of the Lender:

- (a) exercise any VAT option to tax in relation to the Properties; or
- (b) revoke any VAT option to tax exercised, and disclosed to the Lender in writing, before the date of this deed.

9 RENT COVENANTS

9.1 Collection of and dealings with Rent

- (a) The Chargor shall not deal with the Rent except by getting it in and realising it in the ordinary and usual course of its business and shall, immediately on receipt, pay all Rent into the account as the Lender may direct from time to time. The Chargor shall, pending that payment in to such account, hold all Rent upon trust for the Lender.
- (b) The Chargor agrees with the Lender that any monies received by the Lender under clause 9.1(a) shall not constitute the Lender as mortgagee in possession of the Properties.
- (c) The Chargor agrees with the Lender that it shall not be entitled to receive, utilise, transfer or withdraw any credit balance from time to time on such account except with the prior written consent of the Lender.

9.2 Notice of assignment of Rent

The Chargor shall, if requested by the Lender, give notice to the relevant tenant, guarantor or surety of the assignment under clause 3.2(b) of the Chargor's rights and interest to the Rent and each guarantee or security in respect of the Rent and procure that each addressee of such notice promptly provides an acknowledgement of that notice to the Lender.

10 POWERS OF THE LENDER

10.1 Power to remedy

- (a) The Lender shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Chargor of any of its obligations contained in this deed.
- (b) The Chargor irrevocably authorises the Lender and its agents to do all things that are necessary or desirable for that purpose.
- (c) Any monies expended by the Lender in remedying a breach by the Chargor of its obligations contained in this deed shall be reimbursed by the Chargor to the Lender on a full indemnity basis and shall carry interest in accordance with clause 17.1.
- (d) In remedying any breach in accordance with this clause 10.1, the Lender, its agents and their respective officers, agents and employees shall be entitled to enter onto the Properties and to take any action as the Lender may reasonably consider necessary or desirable including, without limitation, carrying out any repairs, other works or development.

10.2 Exercise of rights

The rights of the Lender under clause 10.1 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.

10.3 Lender has Receiver's powers

To the extent permitted by law, any right, power or discretion conferred by this deed on a Receiver may, after the security constituted by this deed has become enforceable, be exercised by the Lender in relation to any of the Charged Properties whether or not it has taken possession of any Charged Properties and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

10.4 Conversion of currency

- (a) For the purpose of, or pending, the discharge of any of the Secured Liabilities, the Lender may convert any monies received, recovered or realised by it under this deed (including the proceeds of any previous conversion under this clause 10.4) from their existing currencies of denomination into any other currencies of denomination that the Lender may think fit.
- (b) Each reference in this clause 10.4 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

10.5 Indulgence

The Lender may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a party to this deed (whether or not any person is jointly liable with the Chargor) in respect of any of the Secured Liabilities or of any other security for them without prejudice either to this deed or to the liability of the Chargor for the Secured Liabilities.

11 WHEN SECURITY BECOMES ENFORCEABLE

11.1 Security becomes enforceable

The security constituted by this deed shall be immediately enforceable once the Lender serves on the Chargor a demand in respect of the Secured Liabilities.

11.2 Discretion

After the security constituted by this deed has become enforceable, the Lender may, in its absolute discretion, enforce all or any part of that security at the times, in the manner and on the terms it thinks fit, and take possession of and hold or dispose of all or any part of the Charged Properties.

12 ENFORCEMENT OF SECURITY

12.1 Enforcement powers

- (a) The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this deed) shall, as between the Lender and a purchaser from the Lender, arise on and be exercisable at any time after the execution of this deed, but the Lender shall not exercise such power of sale or other powers until the security constituted by this deed has become enforceable under clause 11.1.

- (b) Section 103 of the LPA 1925 does not apply to the security constituted by this deed.

12.2 Extension of statutory powers of leasing

The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and by any other statute are extended so as to authorise the Lender and any Receiver, at any time after the security constituted by this deed has become enforceable, whether in its own name or in that of the Chargor, to:

- (a) grant a lease or agreement for lease;
- (b) accept surrenders of leases; or
- (c) grant any option in respect of the whole or any part of the Properties with whatever rights relating to other parts of it,

whether or not at a premium and containing such covenants on the part of the Chargor and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Lender or Receiver thinks fit, without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

12.3 Prior Security

- (a) At any time after the security constituted by this deed has become enforceable, or after any powers conferred by any Security having priority to this deed shall have become exercisable, the Lender may:
 - (i) redeem that or any other prior Security;
 - (ii) procure the transfer of that Security to itself; and
 - (iii) settle any account of the holder of any prior Security.
- (b) The settlement of any such account shall be, in the absence of any manifest error, conclusive and binding on the Chargor. All monies paid by the Lender to an encumbrancer in settlement of such an account shall be, as from its payment by the Lender, due from the Chargor to the Lender and shall bear interest and be secured as part of the Secured Liabilities.

12.4 Protection of third parties

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

- (a) whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;
- (b) whether any power the Lender, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable; or
- (c) how any money paid to the Lender, any Receiver or any Delegate is to be applied.

12.5 Privileges

Each Receiver and the Lender is entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 on mortgagees and receivers.

12.6 No liability as mortgagee in possession

Neither the Lender, any Receiver nor any Delegate shall be liable to account as mortgagee in possession in respect of all or any of the Charged Properties, nor shall any of them be liable for any loss on realisation of, or for any neglect or default of any nature in connection with, all or any of the Charged Properties for which a mortgagee in possession might be liable as such.

12.7 Relinquishing possession

If the Lender, any Receiver or Delegate enters into or takes possession of the Charged Properties, it or he may at any time relinquish possession.

12.8 Conclusive discharge to purchasers

The receipt of the Lender or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Charged Properties or in making any acquisition in the exercise of their respective powers, the Lender, every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he thinks fit.

13 RECEIVERS

13.1 Appointment of Receiver and Administrator

At any time after the security constituted by this deed has become enforceable, or at the request of the Chargor, the Lender may, without further notice, appoint by way of deed, or otherwise in writing, any one or more person or persons to be a Receiver of all or any part of the Charged Properties or appoint one or more persons to be an administrator of the Chargor.

13.2 Removal

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.

13.3 Remuneration

The Lender may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925 and the remuneration of the Receiver shall be a debt secured by this deed, to the extent not otherwise discharged.

13.4 Power of appointment additional to statutory powers

The power to appoint a Receiver conferred by this deed shall be in addition to all statutory and other powers of the Lender under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

13.5 Power of appointment exercisable despite prior appointments

The power to appoint a Receiver (whether conferred by this deed or by statute) shall be, and remain, exercisable by the Lender despite any prior appointment in respect of all or any part of the Charged Properties.

13.6 Agent of the Chargor

Any Receiver appointed by the Lender under this deed shall be the agent of the Chargor and the Chargor shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of the Receiver and for liabilities incurred by the Receiver. The agency of the Receiver shall continue until the Chargor goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Lender.

14 POWERS OF RECEIVER

14.1 Powers additional to statutory powers

- (a) Any Receiver appointed by the Lender under this deed shall, in addition to the powers conferred on him by statute, have the powers set out in clause 14.2 to clause 14.20.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this deed individually and to the exclusion of any other Receiver.
- (c) Any exercise by a Receiver of any of the powers given by clause 14 may be on behalf of the Chargor, the directors of the Chargor or himself.

14.2 Repair and develop the Properties

A Receiver may undertake or complete any works of repair, alteration, building or development on the Properties and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same.

14.3 Grant or accept surrenders of leases

A Receiver may grant, or accept, surrenders of any leases or tenancies affecting the Properties on any terms and subject to any conditions that he thinks fit.

14.4 Employ personnel and advisers

A Receiver may provide services and employ, or engage, any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that he thinks fit. A Receiver may discharge any such person or any such person appointed by the Chargor.

14.5 Make and revoke VAT options to tax

A Receiver may exercise or revoke any VAT option to tax that he thinks fit.

14.6 Charge for remuneration

A Receiver may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) that the Lender may prescribe or agree with him.

14.7 Realise Charged Properties

A Receiver may collect and get in the Charged Properties or any part of it in respect of which he is appointed and make any demands and take any proceedings as may seem expedient for that purpose, and take possession of the Charged Properties with like rights.

14.8 Manage or reconstruct the Chargor's business

A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Chargor carried out at the Properties.

14.9 Dispose of Charged Properties

A Receiver may grant options and licences over all or any part of the Charged Properties, grant any other interest or right over, sell, assign or lease (or concur in granting options and licences over all or any part of the Charged Properties, granting any other interest or right over, selling, assigning or leasing) all or any of the Charged Properties in respect of which he is appointed for such consideration and in such manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions that he thinks fit. A Receiver may promote, or concur in promoting, a company to purchase the Charged Properties to be disposed of by him.

14.10 Sever fixtures and fittings

A Receiver may sever and sell separately any fixtures or fittings from the Properties without the consent of the Chargor.

14.11 Give valid receipts

A Receiver may give valid receipts for all monies and execute all assurances and things that may be proper or desirable for realising any of the Charged Properties.

14.12 Make settlements

A Receiver may make any arrangement, settlement or compromise between the Chargor and any other person that he may think expedient.

14.13 Bring proceedings

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Charged Properties that he thinks fit.

14.14 Insure

A Receiver may, if he thinks fit, but without prejudice to the indemnity in clause 17.2, effect with any insurer any policy of insurance either in lieu or satisfaction of,

or in addition to, the insurance required to be maintained by the Chargor under this deed.

14.15 Powers under LPA 1925

A Receiver may exercise all powers provided for in the LPA 1925 in the same way as if he had been duly appointed under the LPA 1925 and exercise all powers provided for an administrative receiver in Schedule 1 to the Insolvency Act 1986.

14.16 Borrow

A Receiver may, for any of the purposes authorised by this clause 14, raise money by borrowing from the Lender (or from any other person) either unsecured or on the security of all or any of the Charged Properties in respect of which he is appointed on any terms that he thinks fit (including, if the Lender consents, terms under which that Security ranks in priority to this deed).

14.17 Redeem prior Security

A Receiver may redeem any prior Security and settle the accounts to which the Security relates. Any accounts so settled shall be, in the absence of any manifest error, conclusive and binding on the Chargor, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

14.18 Delegation

A Receiver may delegate his powers in accordance with this deed.

14.19 Absolute beneficial owner

A Receiver may, in relation to any of the Charged Properties, exercise all powers, authorisations and rights he would be capable of exercising, and do all those acts and things, as an absolute beneficial owner could exercise or do in the ownership and management of the Charged Properties or any part of the Charged Properties.

14.20 Incidental powers

A Receiver may do any other acts and things:

- (a) that he may consider desirable or necessary for realising any of the Charged Properties;
- (b) that he may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this deed or law; or
- (c) that he lawfully may or can do as agent for the Chargor.

15 DELEGATION

15.1 Delegation

The Lender or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this deed (including the power of attorney granted under clause 19.1).

15.2 Terms

The Lender and each Receiver may make a delegation on the terms and conditions (including the power to sub-delegate) that it thinks fit.

15.3 Liability

Neither the Lender nor any Receiver shall be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

16 APPLICATION OF PROCEEDS

16.1 Order of application of proceeds

All monies received by the Lender, a Receiver or a Delegate under this deed after the security constituted by this deed has become enforceable (other than sums received under any Insurance Policy), shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in the following order of priority:

- (a) in or towards payment of or provision for all costs, charges and expenses incurred by or on behalf of the Lender (and any Receiver, Delegate, 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;
- (b) in or towards payment of or provision for the Secured Liabilities in any order and manner that the Lender determines; and
- (c) in payment of the surplus (if any) to the Chargor or other person entitled to it.

16.2 Appropriation

Neither the Lender, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 1925, 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 Secured Liabilities.

16.3 Suspense account

All monies received by the Lender, a Receiver or a Delegate under this deed (other than sums received under any Insurance Policy that are not going to be applied in or towards discharge of the Secured Liabilities):

- (a) may, at the discretion of the Lender, Receiver or Delegate, be credited to any suspense or securities realised account;
- (b) shall bear interest, if any, at the rate agreed in writing between the Lender and the Chargor; and
- (c) may be held in that account for so long as the Lender, Receiver or Delegate thinks fit.

17 COSTS AND INDEMNITY

17.1 Costs

The Chargor shall, promptly on 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, any Receiver or any Delegate in connection with:

- (a) this deed or the Charged Properties;
- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lender's, a Receiver's or a Delegate's rights under this deed; or
- (c) taking proceedings for, or recovering, any of the Secured 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 Chargor) at the rate and in the manner specified in the Facility Letter.

17.2 Indemnity

- (a) The Chargor shall indemnify the Lender, each Receiver and each Delegate, 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:
 - (i) 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 Charged Properties;
 - (ii) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this deed; or
 - (iii) any default or delay by the Chargor in performing any of its obligations under this deed.
- (b) Any past or present employee or agent may enforce the terms of this clause 17.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

18 FURTHER ASSURANCE

The Chargor shall, at its own expense, take whatever action the Lender or any Receiver may reasonably require for:

- (a) creating, perfecting or protecting the security intended to be created by this deed;

- (b) facilitating the realisation of any of the Charged Properties; or
- (c) facilitating the exercise of any right, power, authority or discretion exercisable by the Lender or any Receiver in respect of any of the Charged Properties,

including, without limitation (if the Lender or Receiver thinks it expedient) the execution of any transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Charged Properties (whether to the Lender or to its nominee) and the giving of any notice, order or direction and the making of any registration.

19 POWER OF ATTORNEY

19.1 Appointment of attorneys

By way of security, the Chargor irrevocably appoints the Lender, every Receiver and every Delegate separately to be its attorney and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things that:

- (a) the Chargor is required to execute and do under this deed; or
- (b) any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this deed or by law on the Lender, any Receiver or any Delegate.

19.2 Ratification of acts of attorneys

The Chargor ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in clause 19.1.

20 RELEASE

Subject to clause 27.3, on the expiry of the Security Period (but not otherwise), the Lender shall, at the request and cost of the Chargor, take whatever action is necessary to:

- (a) release the Charged Properties from the security constituted by this deed; and
- (b) reassign the Charged Properties to the Chargor.

21 ASSIGNMENT AND TRANSFER

21.1 Assignment by Lender

- (a) At any time, without the consent of the Chargor, the Lender may assign or transfer any or all of its rights and obligations under this deed.
- (b) The Lender may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Chargor, the Charged Properties and this deed that the Lender considers appropriate.

21.2 Assignment by Chargor

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

22 SET-OFF

22.1 Lender's right of set-off

The Lender may at any time set off any liability of the Chargor to the Lender against any liability of the Lender to the Chargor, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this deed. If the liabilities to be set off are expressed in different currencies, the Lender may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Lender of its rights under this clause 22.1 shall not limit or affect any other rights or remedies available to it under this deed or otherwise.

22.2 No obligation to set off

The Lender is not obliged to exercise its rights under clause 22.1.

23 AMENDMENTS, WAIVERS AND CONSENTS

23.1 Amendments

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).

23.2 Waivers and consents

- (a) A waiver of any right or remedy under this deed or by law, or any consent given under this deed, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.
- (b) A failure to exercise or a delay in exercising any right or remedy provided under this deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this deed. No single or partial exercise of any right or remedy provided under this deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this deed by the Lender shall be effective unless it is in writing.

23.3 Rights and remedies

The rights and remedies provided under this deed are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

24 SEVERANCE

If any provision (or part of a provision) of this deed is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to

make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this deed.

25 COUNTERPARTS

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.

26 THIRD PARTY RIGHTS

- (a) Except as expressly provided elsewhere in this deed, 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.
- (b) The rights of the parties to rescind or agree any amendment or waiver under this deed are not subject to the consent of any other person.

27 FURTHER PROVISIONS

27.1 Independent security

The security constituted by this deed shall be in addition to, and independent of, any other security or guarantee that the Lender may hold for any of the Secured Liabilities at any time. No prior security held by the Lender over the whole or any part of the Charged Properties shall merge in the security created by this deed.

27.2 Continuing security

The security constituted by this deed shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Lender discharges this deed in writing.

27.3 Discharge conditional

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

- (a) the Lender or its nominee may retain this deed and the security created by or under it, including all certificates and documents relating to the whole or any part of the Charged Properties, for any period that the Lender deems necessary to provide the Lender with security against any such avoidance, reduction or order for refund; and
- (b) the Lender may recover the value or amount of such security or payment from the Chargor subsequently as if the release, discharge or settlement had not occurred.

27.4 Certificates

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

27.5 Consolidation

The restriction on the right of consolidation contained in section 93 of the LPA 1925 shall not apply to this deed.

28 NOTICES

28.1 Delivery

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

- (a) in writing;
- (b) delivered by hand, by pre-paid first-class post or other next working day delivery service or sent by fax; and
- (c) sent to the address of the recipient set out in this deed or to any other address or fax number as is notified in writing by one party to the other from time to time.

28.2 Receipt by Chargor

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

- (a) if delivered by hand, at the time it is left at the relevant address;
- (b) if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting; and
- (c) if sent by fax, when received in legible form.

A notice or other communication given as described in clause 28.2(a) or clause 28.2(c) 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.

28.3 Receipt by Lender

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

28.4 Service of proceedings

This clause 28 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

29 GOVERNING LAW AND JURISDICTION

29.1 Governing law

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.

29.2 Jurisdiction

Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim arising 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 Chargor in any other court of competent jurisdiction, nor shall the taking of proceedings 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.

29.3 Other service

The Chargor irrevocably consents to any process in any legal action or proceedings under clause 29.2 being served on it in accordance with the provisions of this deed relating to service of notices. Nothing contained in this deed shall affect the right to serve process in any other manner permitted by law.

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

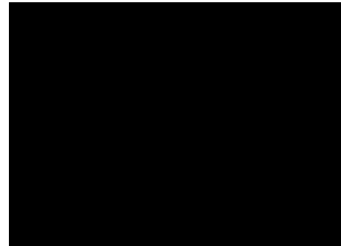
**Schedule
Chargor and Properties**

	Company	Company Number	Registered Office Address	Property Description	Title Number
1.	Kruton (No2) Limited	10006877	113 Brent Street, London, United Kingdom, NW4 2DX	The Freehold land being 9-12 Middle Street, Brighton (BN1 1AL).	ESX236191

EXECUTION PAGE

KRUTON (NO2) LIMITED

Executed and delivered as a deed for and)
on behalf of)
Kruton (No2) Limited)
by its director Barry Ackerman:)



Witness details:

Signature of witness:



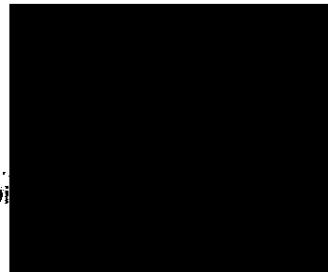
Name of witness: NILS GRAVENHORST

Address: BERWIN LEIGHTON PALMER LLP,
ADELAIDE HOUSE, LONDON EC4R 9HA

Occupation: TRAINEE SOLICITOR

EDENHOLME ESTATES LIMITED

Executed and delivered as a deed for and)
on behalf of)
Edenholme Estates Limited)
by its director Barry Ackerman:)



Di

Witness details:

Signature of witness:



Name of witness: NILS GRAVENHORST

Address: BERWIN LEIGHTON PALMER LLP,
ADELAIDE HOUSE, LONDON EC4R 9HA

Occupation: TRAINEE SOLICITOR