



Registration of a Charge

Company name: **INVESTTORENT HOLDINGS PLC**

Company number: **10392788**

Received for Electronic Filing: **22/03/2018**



X728N72W

Details of Charge

Date of creation: **22/03/2018**

Charge code: **1039 2788 0001**

Persons entitled: **FRANKLAND BUSINESS CONSULTING LIMITED**

Brief description:

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: **A FARMILOE**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 10392788

Charge code: 1039 2788 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 22nd March 2018 and created by INVESTTORENT HOLDINGS PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 22nd March 2018 .

Given at Companies House, Cardiff on 24th March 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

THIS DEBENTURE TRUST DEED is made on 22 March 2018 **BETWEEN:**

- (1) **INVESTTORENT HOLDINGS PLC** (registered in England and Wales under company number 10392788) whose registered office is at Hacker Young, St. John's Chambers, Love Street, Chester CH1 1QN ("the **Company**"); and
- (2) **FRANKLAND BUSINESS CONSULTING LIMITED** (registered in England and Wales under number 9080091) whose registered office is at 62 Larch Drive Stanwix, Carlisle, CA3 9FL ("the **Trust Company**")

RECITAL:

The Company has issued 5% Bonds 2023 constituted by a Deed dated 22 February 2018 and the Company has resolved and the Trust Company to secure such stock pursuant to this Deed

THIS DEED WITNESSES:

1. Definitions and interpretation

- 1.1. In this Deed unless the context requires otherwise:
- 1.2. the **Debentures** means the Bonds referred to in the Recital;
- 1.3. **Debenture Holders** means the registered holders for the time being of the Debentures;
- 1.4. **Debenture Instrument** means the Deed constituting the Debentures;
- 1.5. **this Deed** means this trust deed and any other deed or instrument conferring rights on the Trustees or to which they may be a party executed or entered into pursuant to this Trust Deed or any deed supplemental to this Trust Deed;
- 1.6. **Directors** means the directors for the time being of the Company;
- 1.7. **Events of Default** means the events of default referred to in the Debenture Instrument;
- 1.8. **Mortgaged Property** means the undertaking of the Company and its assets within the charge created by Clause 2;

- 1.9. **Receiver** includes a receiver and manager;
- 1.10. **Register** means the register of Debenture Holders referred to in the Debenture Instruments;
- 1.11. **Registered Office** means the registered office for the time being of the Company;
- 1.12. **Security** means the security constituted by this Deed;
- 1.13. **Extraordinary Resolution** means an Extraordinary Resolution as defined in the Debenture Instrument; and
- 1.14. **Trustees** means the Trust Company or the trustee or trustees for the time being of this Deed.
- 1.15. In this Deed, unless the context requires otherwise:
- 1.15.1. terms defined in the Companies Act 2006 have the same meanings, save that for the purposes of the definition of **subsidiary** in Section 1159 one company (A) shall be treated as being a member of another (B) if any shares in B are held by a subsidiary of A, by any person acting on behalf of A or a subsidiary of A, or by a person holding by way of security provided by A or a subsidiary of A;
 - 1.15.2. references to costs, charges and expenses shall unless otherwise provided include any VAT or similar tax charged or chargeable in respect of such costs charges and expenses;
 - 1.15.3. any register, index, minute book of account or accounting record required to be kept by this Deed shall be kept and inspection of such documents shall be allowed and copies shall be supplied in such form and manner and subject to such precautions as would from time to time be permissible or required if it were a register index minute book of account or accounting record required to be kept by the Companies Act 2006 and references to such records in this Deed shall be construed accordingly;
 - 1.15.4. reference to any statute or statutory provision includes a reference to:
 - 1.15.4.1. that statute or statutory provision as from time to time amended extended or re-enacted or consolidated, and
 - 1.15.4.2. all statutory instruments or orders made pursuant to it;

1.15.5. words denoting the singular shall include the plural and vice versa; and

1.15.6. words denoting any gender include all the genders and words denoting persons shall include firms and corporations and vice versa.

1.16. References in this Deed to **clauses** are to the clauses or sub-clauses of this Deed.

1.17. Clause headings do not form part of this Deed are for convenience only and shall not be taken into account in its construction or interpretation.

2. Floating charge

As a continuing security for the payment or discharge of the amount due in respect of the Debentures, the Company charges in favour of the Trustees by way of floating charge all present and future assets of the Company including but not limited to present and future goodwill and all uncalled capital for the time being of the Company save as provided in Clause 3.

3. Restriction on charging

3.1. The charge created by Clause 2 shall not apply to any Permitted Security Interest and shall not apply to Excluded Property so long as any relevant condition has not been satisfied or any waiver has not been obtained, but for each Excluded Property, the Company undertakes to: (i) apply for the relevant consent or waiver of prohibition or conditions within five Business Days of the date of this debenture and to use its best endeavours to obtain that consent or waiver of prohibition as soon as possible and immediately on receipt of the relevant waiver or consent, the relevant formerly Excluded Property shall stand charged to the Holders under clause 2.

3.2. While any Debentures are outstanding the Company shall not issue any Debt and shall not create, assume or permit to subsist any security over its present or future undertaking, assets or revenues to secure any debt other than a Permitted Security Interest without securing the Debentures equally and rateably therewith.

3.3. In this Clause 3:

"Debt" means indebtedness which is in the form of, or represented or evidenced by, debentures, bonds, loan notes, loan stock or other securities which for the time being are, or are intended to be, quoted, listed, ordinarily dealt in or traded on any stock exchange, over-the-counter or other established securities market but excluding any such indebtedness which has a stated maturity not exceeding one year;

'Excluded Property' means any leasehold property held by the Company under a lease and any other asset which precludes, either absolutely or conditionally (including requiring the consent of any third party), the Company from creating any charge over such property or as-set; and

"Permitted Security Interest" means:

(i) any fixed legal charge upon residential freehold and leasehold property acquired by the Company in the ordinary course of business;

(ii) any Security which:

(A) is created or outstanding upon any property or assets of any description (including, but not limited to, beneficial rights, existing and/or future revenues, accounts receivables, premium receivables, clawback rights, rights against third parties and other payments due to the Company and rights in respect of bank or securities accounts) of the Company; and

(B) arises in relation to any securitisation or other structured finance transaction where:

(I) the primary source of payment of any obligations of the Company is linked to identified property or assets including all rights in relation thereto and profits arising therefrom) (the "Financing Assets") or where payment of such obligations is otherwise supported by such property or assets; and

(II) recourse to the Company in respect of such obligations is limited to and conditional on, the Financing Assets or other identified property or assets.

3.4. Save as provided in clause 3.1 above and otherwise without the written consent of the Trustees, the Company shall not be at liberty to create any mortgage or charge

upon all or any part of the undertaking uncalled capital or assets of the Company present or future ranking in priority to or pari passu with the floating charge created by Clause 3.1 above.

4. Trusts of Mortgaged Property

- 4.1. The Trustees shall permit the Company (until the Security shall have become enforceable and the Trustees shall have decided or become bound to enforce the Security) to hold and enjoy the Mortgaged Property and to receive and apply as it thinks fit all rents and income arising from the Mortgaged Property and (subject to the provisions of this Deed) to carry on the Mortgaged Property and with the Mortgaged Property any of the businesses authorised by its memorandum of association for the time being.
- 4.2. Upon the Security becoming enforceable, the Trustees may (subject to the provisions contained in the Debenture Instruments), enter upon and take possession of all or any part of the Mortgaged Property, and may in their discretion and shall upon such request sell, call in, collect and convert into money all or any part of the Mortgaged Property with all such powers as to the manner in which such sale, calling in collection and conversion shall be made as are contained in the Law of Property Act 1925 Section 101 concerning the powers incident to the estate and interests of mortgagees as if they were fully set out and incorporated in this Deed, and furthermore such sale calling in, collection and conversion may be made for such consideration as the Trustees shall deem sufficient, whether the consideration shall consist of cash or shares or debentures in some other company or companies or other property of any nature or partly of one and partly of some other species of consideration, and whether such consideration shall be presently payable or by instalments or at some future date, and whether such deferred or future payments shall be secured or not, and in all other respects and manner and for any other consideration as the Trustees shall think fit, and without being liable to account for any loss of or deficiency in such consideration, provided that the consideration shall at the date of the sale have been in the bona fide opinion of the Trustees a sufficient consideration, and provided that the Trustees shall not have been negligent in ascertaining the pertinent facts.

4.3. For the purposes of this clause the Trustees may execute and do all such assurances and things as they shall think fit provided that the Law of Property Act 1925 Section 103 shall not apply to this Deed or to the trust or power of sale calling in collection or conversion contained in this Deed.

5. Events of Default

Upon the happening of any of Events of Default set out in the Debenture Instruments the Trustees may by notice in writing to the Company declare that the principal sum owing upon the Debentures and all unpaid interest which has accrued on such principal sum shall become immediately payable and this Security enforceable.

6. Powers of Trustees after Security has become enforceable

- 6.1. At any time after the Security shall have become enforceable and the Trustees shall have decided or become bound to enforce the Security and until the whole of the Mortgaged Property shall be sold called in or collected the Trustees shall have power at their discretion (and without being responsible for any loss or damage which may arise or be occasioned in exercising such power and without any consent by the Debenture Holders or the Company) to do each of the following things, in addition to any power conferred on them by law:
- 6.1.1. manage and carry on the business and affairs of the Company in and with the Mortgaged Property as they think fit with power to appoint or dismiss managers agents and employees on such terms as they shall think fit;
 - 6.1.2. repair, insure, protect and improve the Mortgaged Property;
 - 6.1.3. enlarge any property forming part of the Mortgaged Property or acquire by purchase or lease or otherwise any further property or rights;
 - 6.1.4. settle, adjust, refer to arbitration, compromise or arrange all accounts, questions, claims and demands whatsoever in relation to any of the Mortgaged Property;

- 6.1.5. execute and do contracts, deeds, documents and things and bring, defend or abandon actions, suits and proceedings in relation to the Mortgaged Property in the name of the Company;
 - 6.1.6. exercise or permit any other person to exercise any powers or rights incidental to the ownership of the Mortgaged Property including (as regards shares and other securities) any voting rights or any rights of enforcing such voting rights;
 - 6.1.7. sell, realise, exchange or otherwise deal with the Mortgaged Property in any way;
 - 6.1.8. discharge all or any part of the Mortgaged Property from any charge securing the Debentures or release the Company from any obligation where the Trustees consider such release or discharge to be expedient in the interests of Debenture Holders and on such terms and conditions as they think fit;
 - 6.1.9. remove or discharge any Receiver without appointing another or otherwise stop enforcement of any of the Security where the Trustees consider the Debenture Holders are unlikely materially to benefit by further enforcement of the Security or that such step is otherwise expedient in the interests of the Debenture Holders; and
 - 6.1.10. generally to do anything in relation to all or any part of the Mortgaged Property as they could do if they were absolutely entitled to such Mortgaged Property.
- 6.2. Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the charges created by this Deed and accordingly the Trustees may at any time after the Security has become enforceable exercise the power given by that paragraph to appoint an administrator of the Company.
 - 6.3. The Trustees may out of the profits and income of the Mortgaged Property and the money to be received by them in the exercise of any of the powers referred to in this clause pay and discharge the expenses incurred in the exercise of any such powers or otherwise in respect of the Mortgaged Property and all outgoings which they shall think fit to pay and may apply the residue of those profits income and money in the manner provided by clause 10 below.

7. Appointment of Receiver

- 7.1. Subject as provided below in this clause at any time after the Security shall have become enforceable or after a request by the Company (and so that no delay or waiver of the right to exercise the powers conferred by this clause shall prejudice the future exercise of such powers) the Trustees may in their discretion and shall (subject to clause 25 below) upon the request in writing of the registered holders of not less than three fourths in number of the Debentures for the time being issued and outstanding or upon the request of the Debenture Holders by an Extraordinary Resolution and without further notice appoint in writing a Receiver or Receivers of all or any part of the Mortgaged Property.
- 7.2. The Trustees shall have the power from time to time to remove any Receiver appointed under clause 7.1 above and appoint one or more Receivers in his place.
- 7.3. In addition to the powers referred to in clause 6 above and this clause, the Trustees may enter into possession of and hold or appoint a Receiver or Receivers to take possession of any part of the Mortgaged Property which may at any time appear to them in danger of being taken under any process of law by any creditor of the Company or to be otherwise in jeopardy. Whenever under this clause the Trustees enter into possession of the Mortgaged Property or a Receiver is appointed, the provisions of clause 6 above shall apply mutatis mutandis, and the Trustees may at any time give up possession or withdraw such receivership.

8. Restrictions on appointment of Receiver

The Trustees:

- 8.1. may not appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under Section 1A of the Insolvency Act 1986; and
- 8.2. may not appoint an administrative receiver (as defined in Section 29(2) of that Act at any time while such an appointment is prohibited by Section 72A of that Act.

9. Powers of Receiver

- 9.1. The following provisions as to the appointment, powers, rights and duties of a Receiver appointed under clause 12 above shall have effect:
- 9.2. such appointment may be made either before or after the Trustees shall have entered into or taken possession of all or any part of the Mortgaged Property;
- 9.3. the Trustees may delegate to any such Receiver such of the powers, authorities and discretions exercisable by the Trustees under this Deed (including the powers of conversion of the Mortgaged Property) as the Trustees may think expedient;
- 9.4. such Receiver shall in the exercise of his powers authorities and discretions conform to any regulations and directions from time to time made and given by the Trustees;
- 9.5. the Trustees may from time to time fix the remuneration of such Receiver (which shall not be subject to the limitation provided in the Law of Property Act 1925 Section 109(6)) and direct payment of such remuneration out of the Mortgaged Property but the Company alone shall be liable for the payment of such remuneration;
- 9.6. the Trustees may at their discretion from time to time require any such Receiver to give security for the proper performance of his duties as such Receiver and may fix the nature and amount of the security to be so given but the Trustees shall not be under any obligation in any case to require any such security;
- 9.7. (save so far as otherwise directed by the Trustees) all money shall (after providing for the matters comprised in the Law of Property Act 1925 Section 109(8)(i), (ii) and (iii)) be paid over to the Trustees to be held by them on the trust declared in this Deed of and concerning money which arises from any sale calling in collection or conversion;
- 9.8. the Trustees may pay over to such Receiver or permit him to retain any money constituting part of the Mortgaged Property to the intent that such money may be applied for the purposes of this Deed by such Receiver, and the Trustees may from time to time decide what funds the Receiver shall be at liberty to keep in hand with a view to the performance of his duties as such Receiver;

- 9.9. subject as provided in the following clauses of this Deed, any such Receiver may, for the purpose of carrying on the business of the Company or of defraying any costs, charges, losses and expenses (including his remuneration) which shall be incurred by him or which he anticipates may be incurred by him in the exercise of the powers, authorities and discretions vested in him or for all other purposes of this Deed, advance, raise or borrow money on the security of all or any part of the Mortgaged Property, either in priority to the Debentures and the Security or otherwise, and at such rate or rates of interest and generally on such terms and conditions as he may think fit, and for those purposes may execute and do all such assurances, deeds, acts and things as he may think fit and no person lending any such money shall be concerned to enquire as to the propriety or purpose of the exercise of this power or to see to the application of any money so raised or borrowed, provided that a Receiver shall not exercise this present power without first obtaining the written consent of the Trustees to such exercise, but the Trustees shall incur no responsibility or liability to the lender or otherwise by reason of their giving or refusing such consent whether absolutely or subject to any limitation or condition.
- 9.10. Every such Receiver shall be the agent of the Company for all purposes and the Company alone shall be responsible for his acts and defaults and for his remuneration and the Trustees and the Debenture Holders shall not incur any liability by reason of their making or consenting to his appointment as such Receiver.
- 9.11. Every Receiver so appointed shall have all the powers conferred on receivers appointed under the Law of Property Act 1925 and on administrative receivers by the Insolvency Act 1986 Section 42 (whether or not he is an administrative receiver as defined in the Insolvency Act 1986 Section 29).

10. Trusts of proceeds of realisation

- 10.1. All money arising from any sale calling in collection or conversion under this Deed and all money received by the Trustees or any Receiver appointed by them under this Deed at any time after this Security shall have become enforceable shall be

held by the Trustees or by the Receiver receiving the money (subject to any prior ranking claims on such money) upon trust to apply the money for the following purposes and in the following order of priority in payment of:

- 10.2. all costs, charges, expenses and liabilities incurred and payments made in or about the exercise of the trust for conversion or otherwise in relation to this Deed by the Trustees or any Receiver appointed by them under this Deed, including all remuneration payable to the Trustees and any such Receiver with interest on such sums as provided in clause 23 below;
- 10.3. the interest owing upon the Debentures *pari passu* and without any preference or priority;
- 10.4. the principal money owing upon the Debentures *pari passu* and without any preference or priority;
- 10.5. and the surplus (if any) shall be paid to the Company, provided that, if the Trustees shall be of the opinion that the Security may prove deficient, payments may be made on account of principal money has been paid, but such alteration in the order of payment of principal money and interest shall not prejudice the right of the Debenture Holders to receive the full amount to which they would have been entitled if the primary order of payment had been observed or any less amount which the sum ultimately realised from the Security may be sufficient to pay.

11. Power to retain temporarily money available for distribution

- 11.1. If the amount of the money at any time available under clause 10 above shall be less than ten per cent. of the principal money owing upon the Debentures for the time being outstanding, the Trustees may at their discretion invest such money upon some or one of the investments authorised under clause 13 with power from time to time at their discretion to vary such investments. Such investments with the resulting income may be accumulated until the accumulations, together with any other funds for the time being under the control of the Trustees and applicable for the purpose, shall amount to a sum sufficient to pay ten per cent. of the nominal

amount of the Stock for the time being outstanding, and then such accumulations and funds shall be applied in the manner provided in clause 10 above.

12. Notice of distributions and production of Debentures

- 12.1. The Trustees shall give to the Debenture Holders at least seven days' notice of every distribution proposed to be made by them to the Debenture Holders, and the Trustees shall be entitled at their discretion to withhold payment of any money due to be distributed to any person or persons registered or entitled to be registered as the holders of any of the Debentures pending production or delivery to the Trustees of such Debenture or Debentures in order that a note of the distribution may be endorsed on the document.
- 12.2. Any money withheld by the Trustees pursuant to this clause shall be placed by them at the risk of the person or persons entitled to such money in a deposit account with a bank, and so much of the principal money outstanding on the Debentures as equals the amount of any principal money for the time being withheld from the person or persons registered or entitled to be registered as the holders of those Debentures shall not carry interest while such money is being withheld save any interest allowed on the deposit account in which such money is placed, and the receipt of the registered holder of any of the Debentures or of the first-named of joint holders for any money paid by the Trustees in respect of those Debentures shall be a good discharge to the Trustees for that money.

13. Authorised investments

- 13.1. Any money which under the trusts contained in this Deed ought to be invested may at the discretion of the Trustees be invested in the name or under the control of the Trustees in any of the investments for the time being authorised by law for the investment by trustees of trust money or any other investments or assets which may be approved by the Company in any country and whether or not they produce in-

come or by placing the money on deposit in the name of the Trustees in such bank or with such other financial institution, and in any currency, as they may think fit.

- 13.2. The Trustees may at any time sell or realise any such investments or vary or trans-
pose such investments for or into others permitted by this Deed, and shall not be
responsible for any loss occasioned by such investment or otherwise in respect of
such investments, whether arising from depreciation in value, fluctuation in ex-
change rates or otherwise. The consent or approval of the Company to any such
other investments shall not be necessary after the Security shall have become en-
forceable and the Trustees shall have decided or become bound to enforce the Se-
curity.

14. Company to execute assurances

- 14.1. The Company shall from time to time execute and do all such acts, assurances,
consents, deeds and things as the Trustees may reasonably require for perfecting
the Security and for facilitating or effecting any dealings by the Trustees under the
powers of this Deed, and shall from time to time after the Security shall have be-
come enforceable execute and do all such acts, assurances, consents, deeds and
things as the Trustees or any Receiver appointed by them under this Deed may
reasonably require for facilitating the realisation of the Mortgaged Property and the
exercise by them of all the powers authorities and discretions conferred by this
Deed on the Trustees or any Receiver appointed by them, and in particular each of
them shall execute all transfers, conveyances, dispositions, assignments and assur-
ances of the Mortgaged Property, and shall give all notices, orders and directions
which the Trustees or any such Receiver may think expedient.
- 14.2. If any transfer, conveyance, lease or other document constituting or representing or
otherwise necessary to evidence the proper title of the Company to any part of the
Mortgaged Property shall not be properly stamped with any stamp duty or any
other similar duty or tax payable on such document, the Company shall immediate-
ly procure such a document to be properly stamped and the Company will pay (or

reimburse the person making payment of) such stamp duty or other duty or tax (including any interest and/or penalty).

15. Mortgagee in possession

The Trustees shall not nor shall any Receiver appointed by them or their agents be liable by reason of any entry into possession of all or any part of the Mortgaged Property to account as mortgagees in possession or for anything except actual receipts, or be liable for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

16. Protection of third parties

- 16.1. No purchaser, mortgagor, mortgagee, lender, debtor or other person dealing with the Trustees or any Receiver appointed by them or with their or his attorney or agent shall be concerned to inquire whether the Security has become enforceable, or whether any power exercised or purported to be exercised under this Deed has become exercisable, or as to the propriety, regularity or purpose of the exercise of any power under this Deed, or whether any money remains due on the Security, or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall be made, or to see to the application or any money paid to the Trustees or to any such Receiver, attorney or agent, and, in the absence of bad faith on the part of such purchaser, mortgagor, mortgagee, lender, debtor or other person, such dealing shall be deemed so far as regards his safety and protection to be within the powers conferred by this Deed and to be valid and effectual accordingly, and the remedy of the Company and its assigns in respect of any impropriety or irregularity whatsoever in the exercise of such powers shall be in damages only.

17. Covenants by the Company

The Company covenants with the Trustees that at all times during the continuance of the Security it will:

- 17.1. not (without the previous written consent of the Trustees) dispose of any part of the equity of redemption of the Mortgaged Property;
- 17.2. carry on and conduct and procure that its subsidiaries carry on and conduct its and their respective affairs in a proper and efficient manner and at all times keep proper books of account relating to the Mortgaged Property and allow any such person as shall be appointed by the Trustee upon giving seven days' notice in writing free access to the Mortgaged Property at all reasonable times during normal business hours;
- 17.3. give to the Trustees or to such person as shall be appointed by the Trustees such information as may be necessary for the purposes of this Deed and furnish to the Trustees (or to such person) 2 copies of every report balance sheet profit and loss account circular or notice issued to its shareholders or debenture holders at the time of issue and a copy of every valuation made pursuant to this Deed;
- 17.4. pay or cause to be paid all rents rates taxes levies governmental municipal or otherwise imposed upon or payable in respect of all or any part of the Mortgaged Property owned by it as and when such money shall become payable and also punctually pay and discharge all debts and obligations which by law may have priority over the Security;
- 17.5. observe and perform in the proper manner all obligations imposed by law and all covenants obligations agreements and stipulations conditions and terms of all conveyances grants leases assignments contracts agreements and other deeds and documents affecting all or any part of the Mortgaged Property owned by it and any undertakings given by it to the Trustees;
- 17.6. keep or cause to be kept all property forming part of any of the Mortgaged Property owned by it and all buildings and fixtures in or upon all or any part of such Mortgaged Property in a good state of repair and in good condition and where necessary will renew and replace such property buildings and fixtures when and as they shall be worn out or destroyed;

- 17.7. procure the auditors or any valuer to furnish the Trustees annually with such certificates or other information as they may reasonably require in connection with any calculations or matter arising under this Deed;
- 17.8. not pull down or remove any building or erection on the lands for the time being forming part of the Mortgaged Property owned by it or the fixtures annexed to such Mortgaged Property without the previous consent in writing of the Trustees except in the ordinary course of repair or maintenance and will (unless the Trustees otherwise consent) replace all buildings, erections or fixtures so pulled down or removed by others of at least equal value and when necessary will also renew and replace all fixtures (other than tenants' and trade fixtures);
- 17.9. permit the Trustees and such person or persons as they shall from time to time in writing for that purpose appoint (not being a person or persons to whom the Company may reasonably object) to enter into or upon all or any part of the Mortgaged Property owned by it and to view the state and condition of such Mortgaged Property;
- 17.10. apply in the proper manner to the appropriate local planning authority for any necessary permission to erect make or maintain any building, erection, improvement, material change, alteration or addition on or to all or any part of the Mortgaged Property owned by it or to make an change in the user of such Mortgaged Property;
- 17.11. give to the Trustees notice of any permission referred to in clause 22.1.10 above which is granted within fourteen days of receipt of such permission;
- 17.12. not (without the previous written consent of the Trustees) act on any permission referred to in clause 17.1.10 above except where no material change in the structure or user of any of the Mortgaged Property is involved;
- 17.13. comply generally in all respects in relation to the Mortgaged Property owned by it with the provisions of any statute or statutory provision relating to town and country planning;
- 17.14. send to the Trustees (without prejudice to the generality of the foregoing) at the time of sending its annual accounts a certificate signed by any two directors of the

Company to the effect that to the best of the knowledge information and belief of the persons so certifying:

- 17.14.1. there did not exist as at a date not more than five days before the date of the certificate any Event of Default or (if such an event did then exist) specifying it,
- 17.14.2. all such parts of the Mortgaged Property as ought to be insured in accordance with the provisions of clause 18 below were at the date of such certificate insured in accordance with such provisions and that all premiums falling due to be paid have been paid up to the date of such certificate, and
- 17.14.3. that all insurance money released or paid to the Company pursuant to the proviso to clause 18.2.1 below has been applied in or towards making good the loss or damage in respect of which it was received or (if such is not the case) specifying the respects in which the obligations contained in that proviso have not been complied with;
- 17.15. procure that each building forming part of or comprised in the Mortgaged Property shall be supplied with water and electric power of a type at a pressure and of a sufficient voltage to satisfy the reasonable requirements of the occupants of such Mortgaged Property at a cost reasonable in relation to the expense of producing such supply provided that the obligation to supply;
- 17.16. so long as any part of the principal sum of the Debentures remains outstanding, give notice in writing to the Trustees immediately upon becoming aware of the happening of any of the Events of Default.

18. Duty to insure

- 18.1. The Company covenants with the Trustees that at all times during the continuance of the Security it will insure and keep insured such parts of the Mortgaged Property owned by it as are of an insurable nature and usually insured by companies carrying on similar businesses against loss or damage by fire, earthquake, storm, tempest, lightning, riot, civil commotion, strikes and labour disturbances malicious damage

following political disturbances, explosion, aircraft and aerial devices and articles dropped from such aircraft, bursting or overflowing of water pipes and (where appropriate) flooding, accidental damage to underground water, oil or gas pipes or electricity wires and cables and other usual risks (and in time of war against war risks under any statutory insurance scheme which may be applicable to the Mortgaged Property) to their full reinstatement value (proper allowance being made for inflation in building costs during the period of insurance and the replanning and reinstatement period) including value added tax or similar charge in respect of such value (in so far as irrecoverable by the Company) and a proper provision for architects', surveyors' and other professional fees, debris removal expenses and demolition expenses (or to such other values may be agreed in writing by the Trustees) with some insurance office or offices approved in writing by the Trustees or with Lloyds' underwriters, and cause every policy of such insurances to be endorsed with a memorandum of the interest of the Trustees as mortgagees and as assignees of the interest of the Company in such policy, and pay all premiums or other sums payable for the purpose, and produce to the Trustees when so requested every policy of insurance and the receipt for the last premium payable under such insurance. Any such policy shall unless the Trustees otherwise agree:

- 18.1.1. be effected without any restriction or excess or subject only to such restrictions or excess as the Trustees may in writing approve;
- 18.1.2. contain a clause to the effect that the policy may not be terminated cancelled or materially altered unless at least thirty days' prior notice of the intended termination, cancellation or alteration has been given to the Trustees;
- 18.1.3. be effected in the sole name of the Company or (if the Trustees in writing agree) jointly in the name of the Company and the name of some other person interested in the property; and
- 18.1.4. contain a 'breach of warranty' clause under which the insurer agrees that the insurance effected shall not be invalidated or prejudiced so far as the Trustees are concerned by any breach of the insuring conditions or other act or omission on the

part of the Company or any person deriving title under or otherwise having an interest in all or any part of the Mortgaged Property inferior to that of the Company or any servant, agent, licensee or invitee of the Company or any such person.

18.2. Subject to the rights of third parties under any statute, lease or tenancy to have any money referred to in clause 18.1 above applied in or towards making good the loss or damage in respect of which it was received, all money payable by virtue of any insurance on the Mortgaged Property whether or not effected in accordance with this Deed is assigned to the Trustees and shall be deemed to be part of the Mortgaged Property and shall be paid to the Trustees or as they may direct and the following shall apply:

18.2.1. until the Security shall have become enforceable and the Trustees shall have decided or become bound to enforce the Security, such money shall, if the Company so requires, be applied in or towards making good the loss or damage in respect of which it was received, and to the extent that it is not so applied shall be held by the Trustees as capital money and may at the Trustees' discretion be applied in any manner in which capital money forming part of the Mortgaged Property together with the interest on such capital money is authorised by clause 6 above to be applied, provided that money payable or paid by the insurers in respect of any single claim for less than £43,000 shall be released or paid to the Company and any money so released or paid shall no longer form part of the Mortgaged Property and the Trustees shall not be concerned with the application of such money, but the Company shall be bound to apply such money (or other money of the same amount) in or towards making good such loss or damage; and

18.2.2. after the Security shall have become enforceable and the Trustees shall have decided or become bound to enforce the Security, any such money receivable after that date by or at that time remaining in the hands of the Trustees shall, if in their discretion they so decide, be applied in or towards making good the loss or damage in respect of which such money was received, or, to the extent it is not so applied, shall be held by the Trustees in the same manner as money arising under the power

of the Trustees to sell, call in and convert into money or otherwise deal with all or part of the Mortgaged Property,

provided that, to the extent that another party to any lease or agreement for lease to which the Company is a party has covenanted with it to insure any of the Mortgaged Property which is the subject of such lease or agreement for lease against all or any of the risks mentioned in this clause and to apply the insurance money in or towards making good the loss or damage in respect of which such money is received, and the relevant policy of insurance has been endorsed with a memorandum of the interests of the Company and of the Trustees as mortgagees and as assignees of the interest of the Company in the insurance money payable under such policy, and the Company produces to the Trustees when so requested the policy of such insurance or a certified copy of such policy and from time to time evidence of the payment of the current premium payable in respect of such policy, the Trustees shall accept such policy as satisfying pro tanto the obligations of the Company as to insurance contained in this clause.

- 18.3. If default shall be made in keeping the Mortgaged Property in a good state of repair and condition, or so insured as referred to in this clause, or in producing any such policy or any such receipt as referred to in this clause, or in observing and performing any covenants or stipulations affecting the Mortgaged Property, it shall be lawful for but not incumbent upon the Trustees to enter on the Mortgaged Property and comply with any notice served on the Company in respect of such Mortgaged Property or execute such repairs or generally to do and pay all such acts, costs, charges and expenses as the Trustees may deem necessary to prevent or remedy any breach of covenant or stipulation or to comply with or object to any such notice and to insure and keep insured the Mortgaged Property or such of it as they may think fit. The Company shall on demand repay to the Trustees any sum of money spent by them for the above purposes with interest as provided in clause 24 below from the time of such money respectively having been spent and until such pay-

ment such money shall be a charge upon the Mortgaged Property in priority to the Debentures.

19. Interest on payments

The Company shall, on demand by the Trustees or any Receiver, attorney, agent or other person appointed by the Trustees pursuant to this Deed, pay every sum of money (other than the principal amount owing on the Debentures and the interest on such amount) which shall from time to time be payable to any such person under any provisions of this Deed, together with interest at the rate of two per cent. per year above the base rate from time to time of HSBC Bank plc or such other clearing bank in London as the Trustees may from time to time stipulate (or if there is at any time no such base rate such other rate as in the reasonable opinion of the Trustees is the nearest equivalent to such base rate) calculated on a daily basis and on the basis of a 365-day year from the date when the money shall have been advanced or paid or become payable or due to the date of payment by the Company and compounded on the last days of March, June, September and December in each year, and until such payment such money and interest shall be a charge upon the Mortgaged Property ranking in priority to the Debentures and interest on the Debentures.

20. Trustees not bound to enforce covenants

The Trustees may but shall not be bound unless requested to do so in writing by the registered holders of not less than one quarter in number of the Debentures for the time being issued and outstanding or by an Extraordinary Resolution to enforce the covenants contained in clause 17 above and (subject to any such request) may waive on such terms and conditions as they shall deem expedient any of the covenants and provisions contained in this Deed and to be performed and observed on the part of the Company.

21. Powers, reliefs and indemnities of Trustees

21.1. Without prejudice to the powers and reliefs conferred on trustees by the general law by this Deed or by the Trustee Act 1925, the Trustees shall have the following powers:

21.1.1. the Trustees may, in relation to any of the provisions of this Deed, act on the opinion or advice of or any information obtained from any lawyer, valuer, surveyor, broker, auctioneer, accountant or other expert, whether obtained by the Company or by the Trustees or otherwise, and shall not be responsible for any loss occasioned by so acting;

21.1.2. any such opinion, advice or information referred to in clause 21.1.1 above may be sent or obtained by letter, fax, telephone or other means, and the Trustees shall not be liable for acting on any opinion, advice or information purporting to be so conveyed, although such opinion, advice or information shall contain some error or shall not be authentic;

21.1.3. the Trustees shall be at liberty to accept:

21.1.3.1. a certificate signed by any two Directors as to any fact or matter on which the Trustees may need or wish to be satisfied as sufficient evidence of such fact or matter, and

21.1.3.2. a certificate signed by any two Directors that any properties or assets in the opinion of the persons so certifying have a particular value or produce a particular income or are suitable for such company's purposes as sufficient evidence that they have that value or produce a particular income or are so suitable, and

21.1.3.3. a certificate signed by any two Directors to the effect that any particular dealing or transaction or step or thing is in the opinion of the persons so certifying expedient as sufficient evidence that it is expedient,

and the Trustees shall not be bound in any such case to call for further evidence or be responsible for any loss that may be occasioned by their failing to do so or by their acting on any such certificate;

- 21.1.4. (without prejudice to clause 21.1.3 above) the Trustees may accept as sufficient evidence of the fact a certificate signed by any two Directors to the effect that all such parts of the Mortgaged Property as ought to be insured in accordance with clause 23 above were at the date of such certificate insured in accordance with such provisions and that all premiums had been paid as specified in such certificate;
- 21.1.5. the Trustees shall not be bound to give notice to any person of the execution of this Deed nor shall they be liable for any failure omission or defect in perfecting the Security for the Debentures including (without prejudice to the generality of the foregoing):
- 21.1.5.1. failure to obtain any licence, consent or other authority for the execution of this Deed, and
 - 21.1.5.2. failure to register the Security in accordance with the provisions of any of the documents of title of the Company to any of the Mortgaged Property;
- 21.2. With a view to facilitating sales, leases and other dealings under any provisions of this Deed, the Trustees shall have full power prospectively to consent to any specified transaction conditionally on the transaction conforming to any specified conditions laid down or approved by the Trustees;
- 21.3. The Trustees shall, as regards all the trusts, powers, authorities and discretions vested in them by this Deed, be entitled to use their discretion as to the manner and time of exercise of such trusts, powers, authorities and discretions, and, provided they shall not have acted fraudulently or without the care and diligence required of them as Trustees, they shall be in no way responsible for any loss, costs, damages, expenses or inconveniences that may result from the exercise or non-exercise of such trusts, powers, authorities and discretions;
- 21.4. The Trustees shall be at liberty to place all title deeds and other documents certifying, representing or constituting the title to any of the Mortgaged Property for the time being in their hands in any safe deposit, safe or receptacle selected by the Trustees, or with any bank or company whose business includes undertaking the

safe custody of documents, or with any solicitor and may at their discretion make any such arrangements as they think fit for allowing the Company or its solicitors or auditors access to or possession of such title deeds or other documents when necessary or convenient, and the Company shall pay all sums required to be paid on account of or in respect of any such deposit;

- 21.5. The Trustees shall have full power to decide as between themselves and the Debenture Holders all questions and doubts arising in relation to any of the provisions of this Deed, and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustees, shall be conclusive and shall bind all persons interested under this Deed;
- 21.6. The Trustees may (except in the conduct of the internal management of the trusts of this Deed), instead of acting personally, employ and pay an agent to transact or concur in transacting any business and to do or concur in doing any acts required to be done by the Trustees including the receipt and payment of money, and any trustee being a solicitor, broker or other person engaged in any profession or business shall be entitled to be paid all usual professional and other charges for business transacted and acts done by him or any partner of his in connection with the trusts of this Deed, including matters which ought to or should have been attended to in person by a trustee not being engaged in any profession or business;
- 21.7. The Trustees shall not be bound to take any steps to ascertain whether any Event of Default has happened upon the happening of which the Security becomes enforceable;
- 21.8. The Trustees shall not be responsible for acting upon any resolution purporting to have been passed at a meeting of the Debenture Holders or signed by Debenture Holders which the Trustees believe to have been properly passed or signed even should it afterwards be found that such resolution is not binding or valid by reason of a defect in the convening of the meeting or the proceedings at such meeting or by reason of the requisite number of Debenture Holders not having signed the resolution or any other error;

- 21.8.1. The Trustees shall not incur any liability in respect of the money subscribed by applicants for the Debentures or be bound to see to the application of such money; and
- 21.8.2. The Company shall on demand (subject to clause 21.9 below) indemnify the Trustees against any claim, demand, loss, damage, proceeding or other liability whatsoever (including without limitation in respect of any tax or duty) arising in any manner from the preparation and execution of this Deed, or from the exercise of its powers and the performance of its duties under this Deed or from considering or taking any action, or enforcing, or determining any question in relation to, any provision of this Deed.
- 21.9. Nothing in clause 21.8 above or elsewhere in this Deed shall exempt the Trustees from, or indemnify them against, any liability for breach of trust in any case in which the Trustees have failed to show the degree of diligence and care required of them as Trustees having regard to the provisions of this Deed conferring on them any powers authorities or discretions.
- 21.10. Whenever the Trustees are prima facie bound by any provision of this Deed to take any step upon the request in writing of the registered holders of any specified amount of the Debentures for the time being issued and outstanding or upon the request of an Extraordinary Resolution they shall nevertheless be entitled to refrain from taking the step in question until they shall have been indemnified to their satisfaction by all or any of the Debenture Holders against all liabilities, damages, costs and expenses which they may incur in consequence of taking such step.

22. Remuneration to Trustees

- 22.1. The Company shall pay to the Trustees remuneration which shall accrue from day to day for their services as Trustees at the rate provided in clause 22.2 below by equal quarterly payment on the usual quarter days in every year (the first of such payments to be made on the first date of subscription of any of the Debentures and to be calculated from and including the first date of subscription of any of the De-

debentures to the next date due for payment) such remuneration to be payable until the trusts of this Deed shall be finally wound up and whether or not a Receiver shall have been appointed and whether or not such trusts shall be administered by or under the order of any court.

- 22.2. Subject to clause 22.3 below, the rate of remuneration payable under this clause shall be agreed between the Trustees and the Company from time to time. Upon the issue of any Further Debentures such rate of remuneration shall be increased by such amount as may be agreed between the Company and the Trustees the Company and the Trustees may at any time agree any increase in the rate of remuneration payable to the Trustees under this clause.
- 22.3. In the event that the Security shall become enforceable, the rate of remuneration payable to the Trustees under this clause shall (with effect from the date of such event) be increased by such an amount per year as shall be necessary to ensure that the Trustees are reasonably remunerated in respect of such additional work as may fall upon them as a result (being work additional to the work falling upon them from year to year in the ordinary course of the conduct of the trusts of this Deed), including without limitation enforcing the Security or any of the obligations of the Company or any other person and applying money received in respect of such Debentures.
- 22.4. The Company shall in addition pay to the Trustees on demand an amount equal to the amount of any value added tax or any similar tax chargeable in respect of their remuneration under this Deed.
- 22.5. The Company shall also pay on demand all costs, charges and expenses of external advisers and an amount equal to all stamp, documentary and other taxes and duties and other expenses which the Trustees may properly and reasonably incur in relation to this Deed and to the preparation and execution of this Deed and to the carrying out of the trusts of this Deed and the exercise by the Trustees of the powers authorities and discretions vested in them under this Deed, together with any value added tax or similar tax thereon, if not recoverable by the Trustees.

23. Power to recoup money owing to the Trustees²⁹

- 23.1. Without prejudice to the rights of indemnity given to trustees by law and by this Deed, and subject to the provisions of the Companies Act 2006 Section 750 the Trustees and every Receiver, attorney, agent or other person appointed by the Trustees under the provisions of this Deed shall be entitled to be indemnified out of the Mortgaged Property in respect of:
- 23.1.1. all liabilities, costs, charges and expenses incurred by them or him in relation to this Deed or to the preparation and execution or purported execution of this Deed;
 - 23.1.2. the carrying out of the trusts of this Deed;
 - 23.1.3. the exercise of any trusts, powers or discretions vested in them or him pursuant to this Deed;
 - 23.1.4. all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in anywise relating to this Deed; and
 - 23.1.5. any remuneration or other amount payable by the Company under this Deed,
- 23.2. In priority to any payments to the Debenture Holders the Trustees and any Receiver appointed under this Deed may retain and pay out of any money in their or his hands arising from the trusts of this Deed all sums necessary to effect such indemnity.

24. Powers to appoint new trustees and powers of the majority of Trustees

The statutory power of appointing new trustees of this Deed shall be vested in the Company but a Trustee so appointed shall be subject to removal by the Debenture Holders by Extraordinary Resolution. A corporation may be a sole Trustee of this Deed. Whenever there shall be more than two Trustees of this Deed a majority of Trustees shall be competent to exercise all the powers authorities and discretions vested in the Trustees under this Deed.

25. Modification of terms of the Deed

In addition and without prejudice to the powers of the Debenture Holders exercisable by Extraordinary Resolution, the Trustees may at any time without the sanction of an Ex-

traordinary Resolution concur with the Company in making any modification to this Deed as may be agreed between the Company and the Trustees where the Trustees are of the opinion that such modification will not be materially prejudicial to the interests of the Debenture Holders or that the modification is intended to correct a manifest error or omission.

26. Retirement of Trustees

Any of the Trustees may at any time retire from the trusts of this Deed without giving any reason and without being responsible for any expenses in doing so.

27. Removal of Trustees

A meeting of Debenture Holders convened and held in accordance with the Debenture Instruments may by Extraordinary Resolution remove any Trustee from office and may by Extraordinary Resolution nominate a new Trustee in the place of the Trustee so removed and the Company shall immediately after such nomination appoint the person nominated to be a Trustee of this Deed.

28. Discharge of charge

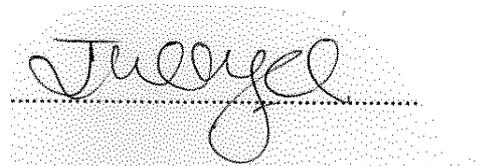
28.1. Upon proof being given to the satisfaction of the Trustees that all the Debentures have been paid off or satisfied, or that provision for its payment off or satisfaction has been made to the satisfaction of the Trustees, and upon such payment of or provision for the payment of all costs, charges and expenses incurred by and remuneration due to the Trustees or any Receiver in relation to this Deed and any other money intended to be secured by or payable under this Deed, the Trustees shall at the request and cost of the Company execute and do all such deeds, acts and things as may be necessary to release all or such part of the Mortgaged Property as may remain vested in the Trustees or subject to the charges securing the Debentures from the trusts contained in this Deed and from the Security.

29. Notices

- 29.1. Any notice may be given to any Debenture Holder by the Company or the Trustees by posting the notice by prepaid first class post to the registered address of the Stockholder.
- 29.2. In the case of joint Debenture Holders a notice given to the holder whose name stands first in the Register in respect of such Debentures shall be sufficient notice to all the joint holders of such Debentures.
- 29.3. Any notice given under this clause shall be shall be deemed to have been served twenty-four hours after the date of posting and in proving such service it shall be sufficient to prove that the envelope containing the notice was properly addressed stamped and posted.

EXECUTED as a DEED by the parties hereto on the date first set above

EXECUTED as a DEED on behalf of)
INVESTTORENT HOLDINGS PLC by **John Lloyd**,
Director
and by **Andrew Farmiloe**,
Secretary



EXECUTED as a DEED on behalf of)
FRANKLAND BUSINESS)
CONSULTING LIMITED)



Director