



**Registration of a Charge**

Company name: **BETTERSTORE PROPERTIES UK LIMITED**

Company number: **11810512**

Received for Electronic Filing: **05/03/2019**



X80LJTR6

---

**Details of Charge**

Date of creation: **01/03/2019**

Charge code: **1181 0512 0001**

Persons entitled: **LLOYDS BANK PLC**

Brief description:

**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: **WE 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 PART OF THE**

**CHARGING INSTRUMENT SIGNED BY OR ON BEHALF OF THE  
CHARGOR, AND A CORRECT COPY OF THE SIGNATURE PAGE TO  
EACH OTHER PART OF SUCH CHARGING INSTRUMENT.**

Certified by:

**DENTONS UK AND MIDDLE EAST LLP**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 11810512

Charge code: 1181 0512 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 1st March 2019 and created by BETTERSTORE PROPERTIES UK LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 5th March 2019 .

Given at Companies House, Cardiff on 6th March 2019

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



**Companies House**



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES

## Debenture

**Dated** 1 March 2019

**Betterstore Properties UK Limited**  
(the Chargor)

**Lloyds Bank plc**  
(the Security Agent)

Dentons UK and Middle East LLP  
One Fleet Place  
London EC4M 7WS  
United Kingdom  
DX 242

## Contents

1	Definitions and interpretation .....	1
2	Covenant to pay .....	4
3	Creation of Security .....	4
4	Nature of Security created .....	5
5	Conversion of floating charge .....	6
6	Positive covenants.....	6
7	Negative covenants .....	7
8	Enforcement.....	9
9	Appointment and powers of Receivers .....	10
10	Protection of purchasers.....	11
11	Protection of the Secured Parties .....	11
12	Preservation of Security .....	12
13	Tacking.....	15
14	Further assurance .....	15
15	Discharge of Security .....	16
16	Notices .....	17
17	Calculations and certificates .....	18
18	Partial invalidity .....	18
19	Remedies and waivers .....	18
20	Amendments and waivers .....	18
21	Counterparts.....	18
22	Governing law and enforcement.....	18
	Schedule 1 – Land charged by way of legal mortgage .....	20
	Schedule 2 – Forms of letter to and from the Account Bank.....	21

# Debenture

**Dated** 1 March 2019

## Between

- (1) Betterstore Properties UK Limited a company incorporated under the laws of England and Wales with registered number 11810512 (the **Chargor**); and
- (2) Lloyds Bank plc of England and Wales as trustee for the Secured Parties (the **Security Agent**).

## Recitals

- A. The Finance Parties have made available credit facilities on the terms of the Facility Agreement.
- B. The Chargor has acceded to the Facility Agreement and, as a condition and in consideration of such accession, has agreed to provide Security to the Security Agent (as trustee for the Secured Parties) to secure the payment and discharge of the Secured Liabilities.

## This deed witnesses

### 1 Definitions and interpretation

#### 1.1 Definitions

Words and expressions defined in the Facility Agreement have the same meanings in this Debenture unless they are expressly defined in it and, in addition, in this Debenture:

**Account Bank** means Lloyds Bank plc.

**Act** means the Law of Property Act 1925.

**Authorisation** means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

**Controlled Account** means the following bank account in the name of the Chargor held at the Account Bank:

Account name: [REDACTED]

Sort code: [REDACTED]

Account number: [REDACTED]

**Default Rate** means the rate of interest specified in, and calculated in accordance with, clause 11.3 of the Facility Agreement.

**Derivative Contract** means any master agreement, schedule, transaction, confirmation, novation or other instrument entered into by the Chargor and a counterparty from time to time in connection with protection against or benefit from fluctuation in any rate or price.

**Equipment** means all fixed and moveable plant, machinery, tools, vehicles, computers and office and other equipment and the benefit of all related Authorisations, agreements and warranties.

**Facility Agreement** means a £37,500,000 senior revolving credit facility agreement dated 18 October 2018 between (1) Betterstore Self Storage Holdings Limited, (2) Betterstore Self Storage Properties I Limited, (3) the original guarantors listed in Part 1 of Schedule 1 therein, and (4) Lloyds Bank plc as amended and restated on or about the date of this Debenture.

**Intellectual Property** means:

- (a) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets of each Group Company (which may now or in the future subsist).

**Insurances** means the commercial combined insurance policy with QBE Insurance (Europe) Limited with policy number Y089608QBE0118A.

**Investments** means:

- (a) all or any stocks, shares, bonds and securities of any kind (marketable or otherwise), negotiable instruments and warrants and any other financial instruments (as defined in the Regulations); and
- (b) all allotments, accretions, offers, options, rights, bonuses, benefits and advantages, whether by way of conversion, redemption, preference, option or otherwise which at any time accrue to or are offered or arise in respect of them,

and includes all dividends, interest and other distributions paid or payable on or in respect of them.

**Land** has the same meaning as it has in section 205(1) of the Act.

**Receiver** means a receiver appointed pursuant to this Debenture or to any applicable law, whether alone or jointly, and includes a receiver and/or manager and, if the Security Agent is permitted by law to appoint an administrative receiver, includes an administrative receiver.

**Regulations** means the Financial Collateral Arrangements (No 2) Regulations 2003 (S.I. 2003/3226) or equivalent legislation in any applicable jurisdiction bringing into effect Directive 2002/47/EC on financial collateral arrangements, and **Regulation** means any of them.

**Secured Liabilities** means the liabilities of the Obligors to the Secured Parties under or pursuant to the Finance Documents except for any liabilities which, if secured by this Debenture, would result in a contravention by the Chargor of the prohibitions in Chapter 2 (*Financial assistance for purchase of own shares*) of Part 18 of the Companies Act 2006.

**Security** means a mortgage, charge, pledge, lien, assignment by way of security, retention of title provision, trust or flawed asset arrangement (for the purpose of, or which has the effect of, granting security) or other security interest securing any obligation of any person or any other agreement or arrangement in any jurisdiction having a similar effect.

**Security Assets** means all of the assets of the Chargor which are the subject of any Security created or to be created by this Debenture.

**Security Period** means the period starting on the date of this Debenture and ending on the date on which the Security Agent is satisfied that:

- (a) all of the Secured Liabilities have been fully and finally discharged; and
- (b) no Secured Party is under any commitment, obligation or liability (actual or contingent) to make advances or provide other financial accommodation to any Obligor pursuant to the Finance Documents.

## **1.2 Construction**

1.2.1 The principles of construction set out in clause 1.2 (*Construction*) of the Facility Agreement apply to this Debenture, insofar as they are relevant to it and subject to any necessary changes, as they apply to the Facility Agreement.

1.2.2 Unless a contrary intention appears, any reference in this Debenture to:

- (a) this **Debenture** is a reference to this Debenture as amended, varied, novated, supplemented and replaced from time to time;
- (b) any **Chargor**, the **Security Agent** or any other **Secured Party** includes any one or more of its assigns, transferees and successors in title (in the case of the Chargor, so far as any such is permitted); and
- (c) the **Security Agent** or any other **Secured Party** (except for the references in Clause 14 (*Power of attorney*), includes its duly appointed nominees, attorneys, correspondents, trustees, advisers, agents, delegates and sub-delegates.

## **1.3 Third party rights**

1.3.1 Unless expressly provided to the contrary in this Debenture, a person who is not a party to this Debenture has no right under the Contracts (Rights of Third Parties) Act 1999 (the **Third Parties Act**) to enforce or to enjoy the benefit of any term of this Debenture.

1.3.2 The parties to this Debenture may rescind, vary, waive, release, assign, novate or otherwise dispose of all or any of their respective rights or obligations under this Debenture without the consent of any person that is not a party (without prejudice to the terms of the other Finance Documents).

1.3.3 Any Secured Party or any person described in Clauses 10 (*Protection of purchasers*) or Clause 11 (*Protection of the Secured Parties*) may, subject to this Clause 1.3 (*Third party rights*) and the Third Parties Act, rely on any Clause of this Debenture which expressly confers rights on it.

## **1.4 Effect as a deed**

This Debenture shall take effect as a deed even if it is signed under hand on behalf of the Security Agent.



## **1.5 Law of Property (Miscellaneous Provisions) Act 1989**

The terms of the other Finance Documents and of any side letters between any parties in relation to any Finance Document are incorporated in this Debenture to the extent required to ensure that any purported disposition of an interest in Land contained in this Debenture is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

## **2 Covenant to pay**

The Chargor covenants with the Security Agent and the other Secured Parties that it will on demand pay and discharge the Secured Liabilities when due in accordance with the terms of the relevant Finance Document.

## **3 Creation of Security**

### **3.1 Land**

The Chargor charges:

- (a) by way of legal mortgage its interest in the Land referred to in Schedule 1 (*Land charged by way of legal mortgage*); and
- (b) by way of fixed charge any right, title or interest which it has now or may subsequently acquire to or in any other Land.

### **3.2 Investments**

The Chargor charges by way of fixed charge all its Investments, including those held for it by any nominee.

### **3.3 Equipment**

The Chargor charges by way of fixed charge all its Equipment in so far as it is not charged by way of legal mortgage under Clause 3.1 (*Land*).

### **3.4 Controlled Account**

The Chargor charges by way of fixed charge all amounts standing to the credit of the Controlled Account and all of its right, title and interest in and relating to the Controlled Account.

### **3.5 Intellectual Property**

The Chargor charges by way of fixed charge all its Intellectual Property.

### **3.6 Goodwill**

The Chargor charges by way of fixed charge its goodwill.

### **3.7 Uncalled capital**

The Chargor charges by way of fixed charge its uncalled capital.

### **3.8 Authorisations**

The Chargor charges by way of fixed charge the benefit of all Authorisations it holds in relation to any Security Asset.

### **3.9 Derivative Contracts**

The Chargor charges by way of fixed charge its right to receive all moneys payable under any Derivative Contract.

### **3.10 Insurances**

The Chargor assigns absolutely all its rights and interests under the Insurances.

### **3.11 Contractual rights**

The Chargor assigns absolutely all rights under all deeds and agreements to which it is a party and which are not mortgaged, charged by way of fixed charge or assigned under any of Clauses 3.1 (*Land*) to 3.10 (*Insurances*) (inclusive), other than any Derivative Contract.

### **3.12 Other assets**

3.12.1 The Chargor charges by way of floating charge all its present and future business, undertaking and assets which are not effectively mortgaged, charged by way of fixed charge or assigned under this Clause 3.

3.12.2 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to any floating charge created by this Debenture.

### **3.13 Trust**

If or to the extent that the assignment or charging of any Security Asset is ineffective because of a prohibition on that assignment or charging, the Chargor holds it on trust for the Security Agent.

## **4 Nature of Security created**

### **4.1 General**

The Security created under this Debenture is created:

- (a) as a continuing security to secure the payment and discharge of the Secured Liabilities;
- (b) (except in the case of assets which are the subject of a legal mortgage under this Debenture) over all present and future assets of the kind described which are owned by the Chargor and, to the extent that it does not own those assets, shall extend to any right or interest which it may have in them;
- (c) in favour of the Security Agent as trustee for the Secured Parties; and
- (d) with full title guarantee.

## **4.2 Security over Derivative Contracts**

The Security created under this Debenture over any Derivative Contract shall apply net of set-off or combination of accounts owed under, and in accordance with the terms of, that Derivative Contract.

## **5 Conversion of floating charge**

### **5.1 Conversion on notice**

Subject to Clause 5.2 (*Limitation*), the Security Agent may by notice to the Chargor at any time during the Security Period convert the floating charge created by this Debenture into a fixed charge in respect of any Security Asset specified in that notice if:

- (a) an Event of Default is continuing; or
- (b) the Security Agent considers that Security Asset to be in danger of being seized, attached, charged, taken possession of or sold under any form of distress, sequestration, execution or other similar process or otherwise to be in jeopardy.

### **5.2 Limitation**

Clause 5.1 (*Conversion on notice*) shall not apply by reason only of a moratorium being obtained, or anything being done with a view to a moratorium being obtained, under section 1A of the Insolvency Act 1986.

### **5.3 Automatic conversion**

The floating charge created by this Debenture will convert automatically into fixed charges:

- (a) if the Security Agent receives notice of an intention to appoint an administrator of the Chargor;
- (b) if any steps are taken, (including the presentation of a petition, the passing of a resolution or the making of an application) to appoint a liquidator, provisional liquidator, administrator or Receiver in respect of the Chargor over all or any part of its assets, or if such person is appointed;
- (c) if the Chargor creates or attempts to create Security over all or any of the Security Assets, other than Permitted Security or permitted under the Facility Agreement;
- (d) on the crystallisation of any other floating charge over the Security Assets;
- (e) if any person seizes, attaches, charges, takes possession of or sells any Security Asset under any form of distress, sequestration, execution or other similar process, or attempts to do so; and
- (f) in any other circumstances prescribed by law.

## **6 Positive covenants**

The covenants in this Clause 6 remain in force from the date of this Debenture until the expiry of the Security Period.

## **6.1 Preservation of the Security Assets**

The Chargor shall:

- (a) keep all Land, all Equipment and all other tangible assets which form part of the Security Assets in good and substantial repair and condition (fair wear and tear accepted) and as appropriate in good working order and permit the Security Agent free access at all reasonable times and on reasonable notice to view their state and condition;
- (b) preserve, maintain and renew as and when necessary all Intellectual Property which forms part of the Security Assets;
- (c) observe and perform all material covenants, undertakings, laws and regulations from time to time affecting any Security Asset or its use or enjoyment;
- (d) pay all material Tax, rents, rates, duties, fees, charges, assessments, impositions, calls, instalments and outgoings which are properly payable at any time during the Security Period in respect of any Security Asset or by the owner or occupier of it (and if it fails to pay that amount when due, the Security Agent may pay it);
- (e) notify the Security Agent of any action commenced by a third party to seize, attach, charge, take possession of or sell any Security Asset which (to the best of its knowledge and belief) has been started or threatened; and
- (f) at its own cost, defend any proceedings (including proceedings to seize, attach, charge, take possession of or sell) brought by a third party relating to any Security Asset.

## **6.2 Notice to Account Bank**

After executing this Debenture, the Chargor shall:

- (a) promptly give notice to the Account Bank in the form set out in Part 1 of Schedule 2 (*Form of letter to and from Account Bank*); and
- (b) procure that the Account Bank promptly acknowledges that notice in the form set out in Part 2 of Schedule 2 (*Form of letter to and from Account Bank*), or in any other form agreed by the Security Agent.

## **6.3 Payments without deduction**

The Chargor covenants with the Secured Parties that all payments to be made by it under this Debenture shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

## **7 Negative covenants**

The covenants in this Clause 7 remain in force from the date of this Debenture until the expiry of the Security Period.

## **7.1 Disposals**

- 7.1.1 The Chargor shall not enter into a single transaction or a series of transactions (whether related or not), whether voluntary or involuntary and whether at the same time or over a period of time, to sell, lease, transfer, license, loan, or otherwise dispose of any Security Asset, or enter into an agreement to make any such disposal.
- 7.1.2 Clause 7.1.1 does not apply to a disposal of any Security Asset which, at the time of that disposal, is subject to the floating charge created by this Debenture and which is:
- (a) made in the ordinary course of the day-to-day trading activities of the Chargor; or
  - (b) to an Obligor; or
  - (c) of cash, and not otherwise prohibited by the Finance Documents; or
  - (d) pursuant to a Permitted Disposal or a Permitted Transaction.

## **7.2 Negative pledge**

- 7.2.1 Except as permitted by the Facility Agreement, the Chargor shall not create or permit to subsist any Security over any Security Asset other than pursuant to a Permitted Transaction or as permitted under the Finance Documents (i.e. further security for the Incremental Facility).
- 7.2.2 Except as permitted by the Facility Agreement, the Chargor shall not:
- (a) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor;
  - (b) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
  - (c) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
  - (d) enter into any other preferential arrangement having a similar effect,
- in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

## **7.3 Preservation of the Security Assets**

The Chargor shall not without the written consent of the Security Agent:

- (a) enter into any onerous obligation or restriction affecting any Security Asset;
- (b) in relation to any Land forming part of the Security Assets:
  - (i) part with possession of it, confer on any other person any right or licence to occupy it or grant any licence to assign, sub-let or create any Security over it;
  - (ii) exercise any of the powers conferred by sections 99 and 100 of the Act of leasing, letting, entering into agreements for leases or lettings or accepting or agreeing to accept surrenders of leases;

- (iii) vary, assign or otherwise dispose of or allow to be forfeited any leasehold interest;
- (iv) allow any person other than itself to be registered under the Land Registration Act 2002 as proprietor, or create or permit to arise any interest which overrides under the Land Registration Act 2002 (and the Chargor shall reimburse the Security Agent for its reasonable costs of lodging:
  - (A) a caution against first registration of the title to that Land; or
  - (B) if that Land is unregistered, a land charge); or
- (v) make an application, consent to or acquiesce in the application by any third party, to the Land Registry to enter any matter on the register of title;
- (c) in relation to any uncalled capital of the Chargor, call it up or receive it in advance of calls unless the Security Agent otherwise directs, nor apply it, when paid, otherwise than in payment of the Secured Liabilities or as the Security Agent otherwise directs; or
- (d) take any Security in connection with its liabilities under this Debenture from any guarantor of, or provider of Security for, any of the Secured Liabilities.

## **8 Enforcement**

### **8.1 When Security becomes enforceable**

The Security created by this Debenture shall become enforceable:

- (a) on the occurrence of an Event of Default which is continuing; or
- (b) if the Chargor so requests.

### **8.2 Powers on enforcement**

At any time after the Security created by this Debenture has become enforceable the Security Agent may (without prejudice to any other of its rights and remedies and without notice to the Chargor) do all or any of the following:

- (a) sell or otherwise dispose of the Security Assets, and otherwise exercise all the other powers and rights conferred on mortgagees by the Act, as varied and extended by this Debenture, without the restrictions contained in sections 103 or 109(1) of the Act;
- (b) exercise the power of leasing, letting, entering into agreements for leases or lettings or accepting or agreeing to accept surrenders of leases in relation to any Security Asset, without the restrictions imposed by sections 99 and 100 of the Act;
- (c) to the extent that any Security Asset constitutes Financial Collateral, as defined in the Regulations, appropriate it and transfer the title in and to it to the Security Agent insofar as not already transferred, subject to paragraphs (1) and (2) of Regulation 18;
- (d) subject to Clause 9.1.1 (*Method of appointment and removal*), appoint one or more persons to be a Receiver or Receivers of all or any of the Security Assets; and

- (e) appoint an administrator of the Chargor.

### **8.3 Disposal of the Security Assets**

In exercising the powers referred to in paragraph (a) of Clause 8.2 (*Powers on enforcement*), the Security Agent or any Receiver may sell or dispose of all or any of the Security Assets at the times, in the manner and order, on the terms and conditions and for the consideration determined by it.

### **8.4 Application of moneys**

- 8.4.1 The Security Agent shall apply any moneys received or recovered by it pursuant to this Debenture in accordance with the Intercreditor Agreement.
- 8.4.2 Any Receiver shall apply any moneys received or recovered by it pursuant to this Debenture:
  - (a) first, in or towards the pro rata payment of or provision for any sums owing to the Security Agent, any Receiver or any Delegate; and
  - (b) secondly, to the Security Agent for application in accordance with Clause 8.4.1, and section 109(8) of the Act shall not apply.
- 8.4.3 Clauses 8.4.1 and 8.4.2 will override any appropriation made by the Chargor.

## **9 Appointment and powers of Receivers**

### **9.1 Method of appointment and removal**

- 9.1.1 The Security Agent may not appoint a Receiver by reason only of a moratorium being obtained, or anything being done with a view to a moratorium being obtained, under section 1A of the Insolvency Act 1986.
- 9.1.2 Every appointment or removal of a Receiver, of any delegate or of any other person by the Security Agent pursuant to this Debenture may be made in writing under the hand of any officer or manager of the Security Agent (subject to any requirement for a court order in the removal of an administrative receiver).

### **9.2 Powers of Receiver**

Every Receiver shall have all the powers:

- (a) of the Security Agent under this Debenture;
- (b) conferred by the Act on mortgagees in possession and on receivers appointed under the Act;
- (c) which are specified in Schedule 1 of the Insolvency Act 1986 in relation to, and to the extent applicable to, the Security Assets or any of them (whether or not the Receiver is an administrative receiver within the meaning of that Act) and
- (d) in relation to any Security Asset, which he would have if he were its only absolute owner.

### **9.3 Joint or several**

If two or more persons are appointed as Receivers of the same assets, they may act jointly and/or severally so that (unless any instrument appointing them specifies to the contrary) each of them may exercise individually all the powers and discretions conferred on Receivers by this Debenture.

### **9.4 Receiver as agent**

Every Receiver shall be the agent of the Chargor which shall be solely responsible for his acts and defaults and for the payment of his remuneration.

### **9.5 Receiver's remuneration**

Every Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and the Security Agent, and the maximum rate specified in section 109(6) of the Act shall not apply.

## **10 Protection of purchasers**

No purchaser or other person dealing with the Security Agent or any Receiver shall be bound or concerned:

- (a) to see or enquire whether the right of the Security Agent or any Receiver to exercise any of the powers conferred by this Debenture has arisen or not;
- (b) with the propriety of the exercise or purported exercise of those powers; or
- (c) with the application of any moneys paid to the Security Agent, to any Receiver or to any other person.

## **11 Protection of the Secured Parties**

### **11.1 Exclusion of liability**

None of the Security Agent, the other Secured Parties or any of their respective officers or employees shall have any responsibility or liability:

- (a) for any action taken, or any failure to take any action, in relation to all or any of the Security Assets;
- (b) to account as mortgagee in possession or for any loss upon realisation of any Security Asset;
- (c) for the loss or destruction of, or damage to, any of the Security Assets, or to any documents of or evidencing title to them, which are in the possession or held to the order of any such person (and which will be held by such persons at the expense and risk of the Chargor); or
- (d) for any other default or omission in relation to all or any of the Security Assets for which a mortgagee in possession might be liable,

except in the case of gross negligence or wilful misconduct on the part of that person.



## **11.2 General indemnity**

11.2.1 The Chargor shall indemnify the Security Agent, the other Secured Parties and their respective officers and employees against all actions, proceedings, demands, claims, costs, expenses, and other liabilities incurred by them in respect of all or any of the following:

- (a) any act or omission by any of them in relation to all or any of the Security Assets;
- (b) any payment relating to or in respect of all or any of the Security Assets which becomes payable at any time by any of them;
- (c) any stamp, registration or similar Tax or duty which becomes payable in connection with the entry into, or the performance or enforcement of, this Debenture;
- (d) carrying out or purporting to carry out any of the rights, powers and discretions conferred on them by or permitted under this Debenture; and
- (e) any breach by the Chargor of any of its covenants or other obligations to the Security Agent or any other Secured Party,

except in the case of gross negligence or wilful misconduct on the part of that person.

11.2.2 The Chargor shall pay interest at the Default Rate on the sums payable under this Clause from the date on which the liability was incurred to the date of actual payment (both before and after judgment).

## **11.3 Indemnity out of the Security Assets**

The Security Agent, the other Secured Parties and their respective officers and employees shall be entitled to be indemnified out of the Security Assets in respect of the actions, proceedings, demands, claims, costs, expenses and liabilities referred to in Clause 11.2 (*General indemnity*).

## **12 Preservation of Security**

### **12.1 Reinstatement**

If any payment by the Chargor or discharge given by the Security Agent (whether in respect of the obligations of any Obligor or any Security for those obligations or otherwise) is avoided or reduced as a result of insolvency, liquidation, administration or any similar event:

- (a) the liabilities of the Chargor and the Security created by this Debenture shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) the Secured Parties shall be entitled to recover the value or amount of that Security or payment from the Chargor, as if the payment, discharge, avoidance or reduction had not occurred.

### **12.2 Waiver of defences**

Neither the Security created by this Debenture nor the obligations of the Chargor under this Debenture will be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice that Security or any of those obligations (whether or not known to the Chargor, the Security Agent or any other Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any Obligor or any other person under the terms of any composition or arrangement with any person;
- (c) the taking, variation, compromise, exchange, renewal, enforcement or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over, assets of any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (e) any amendment (however fundamental), replacement, variation, novation, assignment or the avoidance or termination of a Finance Document or any other document or Security;
- (f) any unenforceability, illegality or invalidity of any obligation of, or any Security created by, any person under any Finance Document or any other document; or
- (g) any insolvency, liquidation, administration or similar procedure.

### **12.3 Chargor intent**

Without prejudice to the generality of Clause 12.2 (*Waiver of defences*), the Chargor expressly confirms that it intends that the Security created by this Debenture shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following:

- (a) acquisitions of any nature;
- (b) increasing working capital;
- (c) enabling investor distributions to be made;
- (d) carrying out restructurings;
- (e) refinancing existing facilities;
- (f) refinancing any other indebtedness;
- (g) making facilities available to new borrowers;
- (h) any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and
- (i) any fees, costs and/or expenses associated with any of the foregoing.

## **12.4 Immediate recourse**

The Chargor waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or Security or claim payment from any person before claiming from the Chargor under this Debenture. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

## **12.5 Appropriations**

During the Security Period each Secured Party may:

- (a) refrain from applying or enforcing any moneys, Security or rights held or received by it (or any trustee or agent on its behalf) in respect of the Secured Liabilities, or, subject to Clause 8.4 (*Application of moneys*), apply and enforce the same in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and the Chargor shall not be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from the Chargor or on account of the Secured Liabilities.

## **12.6 Deferral of Chargor's rights**

During the Security Period, and unless the Security Agent otherwise directs, Chargor shall not exercise any rights which it may have by reason of performance by it of its obligations under this Debenture or the enforcement of the Security created by this Debenture:

- (a) to receive or claim payment from, or be indemnified by an Obligor;
- (b) to claim any contribution from any guarantor of, or provider of Security in respect of, any Obligor's obligations under the Finance Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of any Secured Party under any Finance Document or of any guarantee or Security taken pursuant to, or in connection with, the Finance Documents by any Secured Party;
- (d) to exercise any right of set-off against any Obligor; and/or
- (e) to claim or prove as a creditor of any Obligor in competition with any Secured Party.

## **12.7 Additional Security**

This Debenture is in addition to, is not in any way prejudiced by and shall not merge with any contractual right or remedy or other Security now or in the future held by or available to any Secured Party.

## **12.8 New accounts**

If any Secured Party receives notice (actual or otherwise) of any subsequent Security over or affecting all or any of the Security Assets it may open a new account or accounts in the name of each Borrower and, if it does not do so, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that subsequent Security, and as from that time all payments made by or on behalf of a Borrower to that Secured Party:

- (a) shall be credited or be treated as having been credited to the new account of that Borrower; and
- (b) shall not operate to reduce the Secured Liabilities at the time when the Secured Party received or was deemed to have received such notice.

## **13 Tacking**

For the purposes of section 94(1) of the Act and section 49(3) of the Land Registration Act 2002 the Security Agent confirms on behalf of the Lenders that the Lenders shall make further advances to the Borrowers on the terms and subject to the conditions of the Finance Documents.

## **14 Further assurance**

### **14.1 Registration at Companies House**

The Chargor consents to the registration of this Debenture at Companies House pursuant to Part 25 of the Companies Act 2006.

### **14.2 Application to Land Registrar**

The Chargor consents to the registration against the registered titles specified in Schedule 1 (*Land charged by way of legal mortgage*) of:

- (a) a restriction in the following terms:  
  
"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being the 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 Lloyds Bank plc referred to in the charges register or their conveyancer. (Form P)"; and
- (b) a notice that the Lenders are under an obligation to make further advances on the terms and subject to the conditions of the Finance Documents.

### **14.3 Further action**

The Chargor shall, at its own expense, promptly take any action and sign or execute any further documents which the Security Agent may require in order to:

- (a) give effect to the requirements of this Debenture;
- (b) protect, preserve and perfect the Security intended to be created by or pursuant to this Debenture;
- (c) protect and preserve the ranking of the Security intended to be created by or pursuant to this Debenture with any other Security over any assets of the Chargor; or
- (d) facilitate the realisation of all or any of the Security Assets or the exercise of any rights, powers and discretions conferred on the Security Agent, any Receiver or any administrator in connection with all or any of the Security Assets,

and any such document may disapply section 93 of the Act.

#### **14.4 Deposit of documents**

The Chargor covenants that, on or before the date of this Debenture and at all times during the Security Period as soon as it receives them (and in any event promptly upon the request of the Security Agent so requests), it shall deposit with the Security Agent, in respect of or in connection with the Security Assets:

- (a) all deeds, certificates and other documents of or evidencing title;
- (b) signed undated transfers of the Investments charged under Clause 3.2 (*Investments*), completed in blank; and
- (c) any other documents which the Security Agent may from time to time require for perfecting its title, or the title of any purchaser.

#### **14.5 Law of Property (Miscellaneous Provisions) Act 1994**

The covenant set out in section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to the provisions set out in this Clause 13.5 Power of attorney

The Chargor irrevocably and by way of security appoints each of:

- (a) the Security Agent;
- (b) any delegate or sub-delegate of, or other person nominated in writing by, an officer of the Security Agent; and
- (c) any Receiver,

jointly and severally as the Chargor's attorney, in the Chargor's name, on its behalf and in such manner as the attorney may in its or his absolute discretion think fit following the occurrence of an Event of Default which is continuing or following the failure by the Chargor to comply with a request from the Security Agent, to take any action and sign or execute any further documents which the Chargor is required to take, sign or execute in accordance with this Debenture. The Chargor agrees, promptly on the request of the Security Agent or any Receiver, to ratify and confirm all such actions taken and documents signed or executed.

#### **15 Discharge of Security**

Upon the irrevocable and unconditional payment and discharge in full of the Secured Liabilities, unless any third party has any subrogation or other rights in respect of the Security created by this Debenture at that time, the Security Agent shall, or shall procure that its appointees will, at the request and cost of the Chargor:

- (a) release the Security Assets from this Debenture; and
- (b) re-assign to the Chargor those Security Assets that have been assigned to the Security Agent under Clause 3 (*Creation of Security*).

Section 93 of the Act shall not apply to this Debenture.

## **16 Notices**

### **16.1 Addresses**

16.1.1 The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each party for any communication or document to be made or delivered under or in connection with this Debenture is that identified with its name below or any substitute address, fax number or department or officer as either party may notify to the other by not less than five Business Days' notice.

16.1.2 The addresses referred to in Clause 16.1.1 are:

(a) The Chargor:

127a High Street,  
Ruislip,  
Middlesex,  
HA4 8JN  
Attention: Robin Greenwood

(b) The Security Agent:

Lloyds Bank plc  
4th Floor, 25 Gresham Street  
London, EC2V 7HN

Attention: Steven Kerr

### **16.2 Delivery**

16.2.1 Any communication or document made or delivered by one person to another under or in connection with this Debenture will only be effective:

- (a) if by way of fax, when received in legible form; or
- (b) if by way of letter, (i) when it has been left at the relevant address or (ii) two Business Days (or, in the case of airmail, five Business Days) after being deposited in the post postage prepaid (or, as the case may be, airmail postage prepaid), in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 16.1 (*Addresses*), if addressed to that department or officer.

16.2.2 Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is expressly marked for the attention of the department or officer identified in Clause 16.1.2 (or any substitute department or officer as the Security Agent shall specify for this purpose).

### **16.3 English language**

16.3.1 Any notice given under or in connection with this Debenture must be in English.

16.3.2 All other documents provided under or in connection with this Debenture must be:

- (a) in English; or

- (b) if not in English, and if so required by the Security Agent accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

## **17 Calculations and certificates**

### **17.1 Accounts**

In any litigation or arbitration proceedings arising out of or in connection with this Debenture, the entries made in the accounts maintained by the Security Agent or any other Secured Party are *prima facie* evidence of the matters to which they relate.

### **17.2 Certificates and determinations**

Any certification or determination by the Security Agent or any other Secured Party of a rate or amount under this Debenture is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

## **18 Partial invalidity**

If, at any time, any provision of this Debenture is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

## **19 Remedies and waivers**

No failure to exercise, nor any delay in exercising, on the part of the Security Agent, any right or remedy under this Debenture shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Debenture are cumulative and not exclusive of any rights or remedies provided by law.

## **20 Amendments and waivers**

Any term of this Debenture may be amended or waived only with the written consent of the Chargor and the Security Agent.

## **21 Counterparts**

This Debenture may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Debenture.

## **22 Governing law and enforcement**

### **22.1 Governing law**

English law governs this Debenture, its interpretation and any non-contractual obligations arising from or connected with it.

## **22.2 Jurisdiction**

- 22.2.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Debenture (including a dispute regarding the existence, validity or termination of this Debenture) (a **Dispute**).
- 22.2.2 The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.
- 22.2.3 Notwithstanding Clause 22.2.1, neither the Security Agent nor any other Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent and the other Secured Parties may take concurrent proceedings in any number of jurisdictions.

**Executed** as a deed and delivered on the date appearing at the beginning of this Debenture.



## **Schedule 1 – Land charged by way of legal mortgage**

### **Part 1– Registered Land**

N/a

### **Part 2– Unregistered Land**

N/a

## Schedule 2 – Forms of letter to and from the Account Bank

### Part 1– Notice regarding the account

To: Lloyds Bank plc  
25 Gresham Street  
London, EC2V 7HN

Date: \*\*

Dear Sirs

**Account numbered [REDACTED] with sort code [REDACTED] (the Account)**

We refer to our above account with you, as it may from time to time be re-designated or re-numbered.

We give you notice that by a debenture (the **Debenture**) dated \*\* between us and Lloyds Bank plc (the **Security Agent**) we have charged by way of fixed charge in favour of the Security Agent (as trustee for itself and certain other banks and financial institutions) all amounts standing to the credit of the Account from time to time (the **Deposit**) and all of our right, title and interest in, and relating to, the Account.

Regardless of any previous authorisations or instructions which we may have given you and without making any enquiry as to the justification for the matter, we irrevocably authorise and instruct you:

- (a) to disclose to the Security Agent any information relating to us, the Account and the Deposit which the Security Agent may from time to time request you to disclose to it;
- (b) to hold the Deposit to the order of the Security Agent, and not permit the whole or any part of the Deposit to be withdrawn by us;
- (c) to pay or release all or any part of the Deposit, and generally to act in relation to the Deposit, only in accordance with the written instructions of the Security Agent;
- (d) to comply with the terms of any written notice or instructions in any way relating to or purporting to relate to the Account or the Deposit which you may receive from the Security Agent[; and
- (e) not, without the prior written consent of the Security Agent, to renew or roll over the Deposit for a fixed period exceeding [three][six] months].

The instructions and authorisations contained in this letter may not be revoked or varied without the written agreement of the Security Agent.

This letter is governed by English law.

Please acknowledge and confirm the above to the Security Agent in the form attached with a copy to us.

Yours faithfully,

.....  
for and on behalf of Betterstore Properties UK Limited

copy:

Mr Steven Kerr  
4th Floor, Lloyds Bank plc  
25 Gresham Street  
London, EC2V 7HN

## Part 2 – Form of acknowledgement and confirmation

To: Lloyds Bank plc  
4th Floor, 25 Gresham Street  
London, EC2V 7HN  
(the **Security Agent**)

Attention: Steven Kerr

Date: \*\*

Dear Sirs

### Account numbered [REDACTED] with sort code [REDACTED] (the Account)

We acknowledge receipt of a notice (the **Notice**) from Betterstore Properties UK Limited (the **Chargor**) dated \*\* that under the Debenture referred to in the Notice it has charged by way of fixed charge in favour of the Security Agent (as trustee for itself and certain other banks and financial institutions) all amounts standing to the credit of the Account from time to time (the **Deposit**) and all of its right, title and interest in, and relating to, the Account (the **Security**).

We confirm that:

- (a) the sum of £\*\* stands to the credit of the Account as at the date of this letter;
- (b) we acknowledge receipt of the Notice and accept the authorisations and instructions contained in the Notice and we undertake to comply with its terms;
- (c) we have not received notice of:
  - (i) any other assignment of or encumbrance over the Deposit or the Account; or
  - (ii) any interest, claim or right in or to either of them by any third party,and we shall promptly give you notice of any such actual, potential or asserted assignment, encumbrance, interest, claim or right of which we become aware;
- (d) we do not, and will not, hold or otherwise have the benefit of any security interest or other encumbrance over the Account or the Deposit other than in our capacity as Security Agent for the Secured Parties referred to in the Debenture; and
- (e) we will not exercise any right of combination, consolidation, merger or set-off which we may have in respect of the Account or the Deposit.

We are aware that you are relying on this letter in connection with your rights under the Security.

This letter is governed by English law.

Yours faithfully,

.....  
for and on behalf of Lloyds Bank plc

copy: Betterstore Properties UK Limited  
127a High Street,  
Ruislip,  
Middlesex,  
HA4 8JN

Executed as a deed by )  
Betterstore Properties UK Limited )  
acting by a director in the presence of: )

Signature of witness

ROBIN GREENWOOD

Name of witness:

Address:

CAROL GREENWOOD

Signed for and on behalf of )  
Lloyds Bank plc )



Executed as a deed by )  
Betterstore Properties UK Limited )  
acting by a director in the presence of: )

Signature of witness: .....

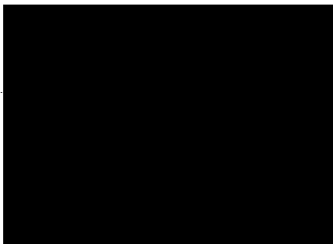
Name of witness: .....

Address: .....

.....

.....

Signed for and on behalf of )  
Lloyds Bank plc )



STEVEN KERR