



Registration of a Charge

Company Name: **CDC BESPOKE PROPERTIES (BROMSGROVE) LIMITED**

Company Number: **13058600**



Received for filing in Electronic Format on the: **13/07/2021**

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Details of Charge

Date of creation: **08/07/2021**

Charge code: **1305 8600 0002**

Persons entitled: **BUSINESS LENDING RESIDENTIAL FUNDING 3 LIMITED**

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

Certified by: **JEREMY ROSEN**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 13058600

Charge code: 1305 8600 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 8th July 2021 and created by CDC BESPOKE PROPERTIES (BROMSGROVE) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 13th July 2021 .

Given at Companies House, Cardiff on 15th July 2021

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**

Date: 8th July 2021

CDC Bespoke Properties (Bromsgrove) Limited

as Chargor

Business Lending Residential Funding 3 Limited

as Chargee

Debenture

THIS DEBENTURE is made the 8th day of July 2021

BETWEEN:

- (1) **CDC Bespoke Properties (Bromsgrove) Limited** (Company Number: 13058600) whose registered office is at 4 The Business Quarter, Eco Park Road, Ludlow, Shropshire, United Kingdom, SY8 1FD (the "**Chargor**"); and
- (2) **Business Lending Residential Funding 3 Limited** (Company Number 09242366) whose registered office is at Crown House, 1 Crown Square, Woking, Surrey GU21 6HR (the "**Lender**").

IT IS AGREED as follows:

1. Definitions and interpretation

1.1 Definitions

In this Deed:

"**Act**" means the Law of Property Act 1925;

"**Administrator**" means an administrator appointed under paragraph 14 of schedule B1 to the Insolvency Act 1986;

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

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London;

"**Charged Assets**" means all assets of the Chargor from time to time the subject of any Security created or, where the context admits, intended to be created by this Deed;

"**Conditions**" means the Lender's Standard Lending Conditions 2012 a copy of which is attached to the Offer and otherwise referred to in the Offer (as they may be amended, supplemented or replaced from time to time);

"**Credit Agreement**" means the Offer and the Conditions together;

"**Designated Account**" means an account of the Chargor with any bank which has been notified of the Lender's interest in such account and has agreed in writing not to permit withdrawals from such account except with the written consent of the Lender;

"**Dividends**" means all dividends, interest, coupons and other distributions paid or payable in respect of any investment;

"**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 (including all spare parts, replacements, modifications and additions);

"**Environment**" means humans, animals, plants and all other living organisms including the ecological systems of which they form part and the following media:

- (a) air (including, but not limited to, air within natural or man-made structures, whether above or below ground);

- (b) water (including, but not limited to, territorial, coastal and inland waters, water under or within land and water in drains and sewers); and
- (c) land (including, but not limited to, land under water);

"Environmental Law" means any applicable law or regulation which relates to:

- (a) the pollution or protection of the Environment;
- (a) the conditions of the workplace; or
- (b) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment, including, but not limited to, any waste;

"Event of Default" means any event or circumstance specified as such in the Conditions or any failure by the Chargor to comply with any provision of this Deed or any other Security in favour of the Lender;

"Intellectual Property" means any rights in respect of patents, copyrights, trade marks, service marks, inventions, designs, semi-conductor topographies, knowhow, confidential information, software, databases, know-how or any other kind of intellectual property throughout the world for the full term of the rights concerned whether registered or unregistered and including:

- (a) any registration or application for registration, licence or permission relating to any of the above;
- (b) reversions, extensions and renewals of any such rights; and
- (c) rights of action in relation to any such rights (including the right to sue for and recover damages for past infringements);

"Investments" means all stocks, shares, bonds, debentures and securities of any kind (marketable or otherwise), negotiable instruments and warrants and any other financial instruments and investments of any kind whether held directly by or to the order of the Chargor or by any trustee, nominee, fiduciary, investment manager or depository or clearance system on its behalf (including, but not limited to, the investments, if any, described in Schedule 2 (*Material Contracts and other assets*));

"Lease" includes any lease, agreement for lease or tenancy and (where the context admits) any licence or other right of occupation;

"Licences" means any licences or consents granted to or by the Chargor in relation to any Intellectual Property;

"Material Adverse Effect" means a material adverse effect on the business or financial condition of the Chargor;

"Material Contract" means:

- (a) the agreements (if any) specified in Schedule 2 (*Material Contracts and other assets*);
- (b) any agreement to which the Chargor is a party (other than the Credit Agreement or this Deed) the breach, non-performance, cancellation, failure to renew or changes to the terms of which could reasonably be expected to have a Material Adverse Effect;

29th May

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"Offer" means the letter dated ~~15 March~~ 2021 addressed by the Lender to the Borrower in respect of the offer of a loan in the amount of £1,472,622 (or thereabouts) in respect of the Property and which has attached or otherwise refers to the Conditions;

"Permitted Security" means any Security created in favour of the Lender;

"Real Property" means freehold, leasehold or other immoveable property and any buildings, erections, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of such property and easements or other rights servicing that property (but excluding any such property over which the Lender has for the time being an effective legal mortgage or fixed charge pursuant to another Security instrument);

"Receivables" means all book and other debts and rights to money and income liquidated and unliquidated due or owing to the Chargor including the benefit of all negotiable instruments, securities, guarantees and indemnities for such debts and rights but excluding cash at bank;

"Receiver" means a receiver, receiver and manager or administrative receiver appointed by the Lender under this Deed;

"Regulations" means the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226) (as amended) or (where the context admits) equivalent legislation in any applicable jurisdiction bringing into effect Directive 2002/47/EC on financial collateral arrangements;

"Rental Income" means all amounts payable to or for the benefit of the Chargor under or in connection with any Lease or any other letting of Real Property forming part of the Charged Assets;

"Secured Obligations" means all present and future obligations and liabilities of the Chargor owed or expressed to be owed to the Lender whether actual or contingent and whether owed or incurred alone or jointly and/or severally with another and as principal or as surety or in any other capacity or of any nature;

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect; and

"Security Period" means the period beginning on the date of this Deed and ending on the date on which the Lender is satisfied that all the Secured Obligations have been unconditionally and irrevocably paid, released and discharged in full and no further Secured Obligations are capable of becoming outstanding.

1.2

Construction

(a) In this Deed, unless a contrary indication appears, any reference to:

- (i) "assets" includes present and future properties, revenues and rights of every description and includes the proceeds of sale of any such asset;
- (i) the "Charged Assets", "Real Property" or the "Secured Obligations" includes a reference to any part of them or it;
- (ii) this "Deed" or any other agreement or document is a reference to the same as it may have been, or may from time to time be, amended, varied, supplemented or novated;
- (iii) "Investments" includes:

- (A) any dividend, interest, or other distribution paid or payable; and
 - (B) any right, money or property accruing or offered at any time by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise,
- in each case in respect of those Investments
- (iv) a party to this Deed includes its successors in title, permitted assigns and permitted transferees;
 - (v) a "**person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);
 - (vi) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (vii) any provision of law includes that provision as amended, re-enacted or replaced from time to time and includes any subordinate legislation;
 - (viii) "**this Security**" means any Security created or constituted by this Deed; and
 - (ix) words in the singular include the plural and vice versa and words in one gender include any other gender.
- (b) Headings in this Deed are for ease of reference only.
 - (c) Any covenant or undertaking by the Chargor under this Deed is given to or made in favour of the Lender and remains in force during the Security Period.
 - (d) It is intended that this document take effect as a deed notwithstanding the fact that (if executed by the Lender) the Lender may only execute this document under hand.
 - (e) The terms of any other agreement and of any side letter between the parties to this Deed are incorporated in this Deed to the extent required to ensure that any purported disposition of or purported agreement to dispose of any Real Property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
 - (f) This Deed is a Finance Document.
 - (g) The provisions of Clauses 1.2 (*Definitions*) (to the extent such words or terms are not otherwise defined in this Deed) and 1.3 (*Interpretation*) of the Conditions (as they may be amended or replaced from time to time) shall be deemed to be incorporated into this Deed.
 - (h) The provisions of this Deed shall take effect subject to the terms of any Security for any Senior Debt.

1.3 Third party rights

A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.

1.4 Conflicts

If there is any conflict or inconsistency between the terms of this Deed and the Credit Agreement the terms of the Credit Agreement shall prevail.

2. Undertaking to pay

2.1 Undertaking to pay

The Chargor undertakes to pay the Secured Obligations to the Lender when due.

2.2 Interest

If the Chargor fails to pay any of the Secured Obligations on the due date for payment of that sum, the Chargor shall on demand pay to the Lender interest on all such sums from the due date until the date of payment (both before and after judgment) calculated and payable in accordance with the rate and in the manner agreed between the Lender and the Chargor in respect of any corresponding Secured Obligations, or in the absence of agreement or a corresponding Secured Obligation, at the rate four per cent above the base rate of Barclays Bank PLC from time to time. Interest shall accrue (where not otherwise agreed as aforesaid in the Credit Agreement) from day to day on the basis of a year of 360 or 365 days (according to the usual practice of the Lender) and (without prejudice to the Chargor's obligation to pay interest on demand) shall be compounded according to the usual practice of the Lender or, if there is no such practice, quarterly.

3. Provisions relating to Security

3.1 Nature of Security created

All the Security created under this Deed is created:

- (a) with full title guarantee in favour of the Lender as a continuing security for the payment, discharge and performance of the Secured Obligations;
- (b) (except in the case of assets which are the subject of a legal mortgage under this Deed) 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.

3.2 Consents

- (a) If the Chargor purports to mortgage, assign or charge (absolutely or by way of fixed mortgage or charge) an asset under this Deed and such mortgage, assignment or charge breaches a term of an agreement or licence binding on the Chargor in respect of that asset because the consent of a person (other than a member of the Group) has not been obtained:
 - (i) the Chargor shall notify the Lender immediately;
 - (ii) subject to paragraph (iv) below, the relevant mortgage, assignment or fixed charge under this Deed will extend (to the extent no breach of the relevant

agreement would occur) to all amounts which the Chargor may receive and other rights in respect of that asset but will exclude the asset itself;

- (iii) unless the Lender otherwise requires, the Chargor shall use its best endeavours to obtain the consent of the relevant person and, once obtained, shall promptly provide a copy of that consent to the Lender; and
- (iv) immediately upon the relevant consent being obtained, the relevant asset shall become subject to this Security in favour of the Lender under Clause 4 (*Fixed Security*).

4. Fixed Security

4.1 Real Property

- (a) The Chargor charges:
 - (i) by way of legal mortgage its interest in any Real Property specified in Schedule 1 (*Real Property*) or otherwise vested in it on the date of this Deed;
 - (i) by way of fixed charge any right, title or interest in Real Property (to the extent not subject to a mortgage under paragraph (i) above).
- (b) The Chargor assigns absolutely, subject to the provisions of Clause 26 (*Release and recourse*):
 - (i) all Rental Income;
 - (i) all rights, powers, benefits, claims, contracts, warranties, remedies, covenants for title, security, guarantee or indemnity in respect of any of its Real Property or any Rental Income (present or future) contained in or relating to any Lease or other letting of Real Property subject to any of this Security; and
 - (ii) the proceeds of sale of any of its Real Property.

4.2 Equipment

The Chargor charges by way of first fixed charge all its rights, title or interest in Equipment in so far as it is not charged under Clause 4.1 (*Real Property*) and in any Equipment for the time being in its possession.

4.3 Investments

The Chargor charges by way of fixed charge all its rights, title and interest in Investments.

4.4 Intellectual Property and Licences

The Chargor charges by way of fixed charge all its rights, title and interest in and to:

- (a) Intellectual Property; and
- (b) Licences.

4.5 Receivables

The Chargor charges by way of fixed charge all its rights, title and interest in Receivables.

4.6 Accounts

The Chargor charges by way of fixed charge all its rights, title and interest in:

- (a) any money standing to the credit of the Designated Account; and
- (b) any Deposit and any other money standing to the credit of any other bank account.

4.7 Goodwill

The Chargor charges by way of fixed charge its goodwill.

4.8 Uncalled capital

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

4.9 Authorisations

The Chargor charges by way of fixed charge all its rights, title and interest in Authorisations held in relation to any Charged Asset.

4.10 Insurances

The Chargor assigns absolutely, subject to the provisions of Clause 26 (*Release and recourse*), all its rights, title or interest under all contracts and policies of insurance and the proceeds of such policies.

4.11 Scheduled assets

The Chargor charges by way of fixed charge all its rights, title and interest in the assets listed in Schedule 2 (*Material Contracts and other assets*) (other than the Material Contracts to the extent they are effectively assigned under Clause 4.12 (*Contractual rights*)); and

4.12 Contractual rights

The Chargor assigns absolutely, subject to the provisions of Clause 26 (*Release and recourse*):

- (a) all its rights under the Material Contracts, and under all other agreements and documents to which it is a party and which are not effectively mortgaged, charged by way of fixed charge or assigned under any of Clauses 4.1 (*Real Property*) to 4.11 (*Scheduled Assets*) (inclusive); and
- (b) the benefit of any guarantee or Security for the performance of the Material Contracts and any such other agreements or documents.

5. Floating Security

5.1 Floating charge

The Chargor charges by way of floating charge the whole of its present and future business, undertaking and assets to the extent that they are not effectively mortgaged, charged or assigned to the Lender by way of fixed security under Clause 4 (*Fixed Security*).

5.2 Conversion

Subject to Clause 5.3 (*Moratorium under Insolvency Act*), the Lender may at any time by written notice to the Chargor convert the floating charge created by Clause 5.1 (*Floating charge*) into a fixed charge as regards any assets specified in the notice if:

- (a) an Event of Default has occurred; or
- (b) in the opinion of the Lender such assets are at risk of becoming subject to any Security (other than this Security or other Security in favour of the Lender) or are otherwise at risk of ceasing to be within the ownership or control of the Chargor.

5.3 Moratorium under Insolvency Act

The Lender shall not be entitled to convert the floating charge created by Clause 5.1 (*Floating charge*) into a fixed charge as a result only of the Chargor obtaining a moratorium or anything

done with a view to obtaining a moratorium under section 1A of and Schedule A1 to the Insolvency Act 1986.

5.4 Qualifying floating charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by Clause 5.1 (*Floating charge*), which is a "qualifying floating charge" for the purpose of paragraph 14(1) of Schedule B1 to the Insolvency Act 1986.

6. Representations

The Chargor makes the representations and warranties set out in this Clause to the Lender.

6.1 Status

- (a) It is a corporation duly established and validly existing under the law of its jurisdiction of incorporation.
- (b) It has the power to own its assets and carry on its business as it is being conducted.

6.2 Binding obligations

The obligations and liabilities expressed to be assumed by it in each Finance Document to which it is a party are legal, valid, binding and enforceable obligations and liabilities.

6.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents to which it is a party do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its assets.

6.4 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.

6.5 No default

- (a) No Event of Default is continuing or might result from the making of any loan under the Credit Agreement.
- (b) No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or to which its assets are subject.

6.6 Pari passu ranking

Its payment obligations under the Finance Documents rank at least pari passu with the claims of all its unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

6.7 No proceedings pending or threatened

No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, might reasonably be expected to have a Material Adverse Effect have (to the best of its knowledge and belief) been started or threatened against it.

6.8 Other Security

There is no Security over any of the assets of the Chargor except for any Permitted Security.

6.9 Valid Security

This Deed creates valid Security over the assets to which it relates.

6.10 Environmental Law

- (a) The Chargor has at all times complied in all material respects with all applicable Environmental Law.
- (b) Any licences required under any Environmental Law have been obtained and are valid and subsisting.
- (c) The Chargor has no notice of any claim under any Environmental Law or of any circumstances which might result in such a claim applicable to any of its Real Property or any occupier of any of its Real Property or otherwise which might materially and adversely affect the open market realisable value or marketability of such Real Property.

6.11 Licences and Intellectual Property

- (a) The Chargor:
 - (i) has at all times performed all of its obligations under or in relation to the Licences forming part of the Charged Assets in a timely and proper manner;
 - (i) has at all times observed and shall observe all of the terms of such Licences;
 - (ii) is not aware and has not been notified of any circumstance which would entitle any person to terminate any such Licence;
 - (iii) has not previously assigned or charged the Intellectual Property or the Licences forming part of the Charged Assets or any part of them to any other person.
- (b) All of the Intellectual Property forming part of the Charged Assets is beneficially and solely owned by the Chargor and is valid and subsisting and there is no impediment or restriction on its use (in any way) by the Chargor.

6.12 Material Contracts

- (a) Each Material Contract has been duly executed and delivered by the parties to it, is in full force and effect and enforceable in accordance with its terms except to the extent its enforceability may be limited by applicable bankruptcy, insolvency, reorganisation, moratorium or similar laws generally affecting the rights of creditors and by equitable principles.
- (b) There is no prohibition on assignment in any Material Contract and the entry into and performance by it of this Deed does not conflict with any term of any Material Contract.

6.13 Centre of main interests and establishments

For the purposes of Regulation (EU) 2015/848 of 20 May 2015 on insolvency proceedings (recast), its centre of main interest (as that term is used in Article 3(1) of that Regulation) is situated in England and Wales and it has no "establishment" (as that term is used in Article 2(10) of that Regulation) in any other jurisdiction.

6.14 Repetition

The representations and warranties in this Clause are deemed to be made by the Chargor on the date of this Deed and to be repeated by the Chargor by reference to the facts and circumstances then existing on each day until the expiry of the Security Period.

7. Restrictions on dealings

7.1 Negative pledge

The Chargor shall not create or permit to subsist any Security over the Charged Assets other than the Permitted Security.

7.2 Disposals

- (a) The Chargor shall not enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer, licence or otherwise dispose of any Charged Asset.
- (b) Paragraph (a) above does not apply to a disposal made with the prior written consent of the Lender, or for full consideration in the ordinary course of trade.

8. General undertakings

8.1 Covenant to perform

The Chargor shall observe and perform the obligations, terms and conditions on its part of the Finance Documents.

8.2 Carry on business

The Chargor shall carry on its business in a proper manner and not make any material alteration in the nature of its business.

8.3 Accounting records

The Chargor shall keep proper accounting records and make all proper entries in relation to its affairs and make such records available for inspection by or on behalf of the Lender or any Receiver at the cost of the Chargor at all reasonable times.

8.4 Information

The Chargor shall promptly:

- (a) give to the Lender or any Receiver such information relating to its undertaking or property or otherwise relating to its affairs as either of them requires;
- (b) provide the Lender with copies of all communications sent to shareholders and/or creditors or any class of them generally; and
- (c) notify the Lender of any litigation, arbitration or administrative proceedings which to its knowledge are threatened, pending or have been commenced against it which is likely to have a Material Adverse Effect.

8.5 Laws

The Chargor shall observe and perform all laws, covenants and stipulations from time to time affecting any Charged Asset or otherwise relating to its business.

8.6 Events of Default

The Chargor shall upon becoming aware of the same promptly notify the Lender of the occurrence of any Event of Default and at the same time inform the Lender of any action taken or proposed to be taken by it in connection with it.

8.7 Accuracy of information

The Chargor shall ensure that all information supplied to the Lender by it is at the time of supply complete and accurate in all material respects.

8.8 Centre of main interests

The Chargor shall not move its centre of main interests for the purposes of Regulation (EU) 2015/848 of 20 May 2015 on insolvency proceedings (recast) outside England and Wales.

8.9 Authorisations

The Chargor shall promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) supply certified copies to the Lender of,

any Authorisation required under any law or regulation of its jurisdiction of incorporation to enable it to carry on its business and to perform its obligations under the Finance Documents and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Finance Document.

8.10 Failure to comply

If the Chargor fails to comply with any of its obligations under this Deed the Lender may take such steps as it considers appropriate to procure compliance with such obligations at the cost of the Chargor.

9. Real Property

9.1 HM Land Registry

- (a) The Chargor applies and agrees that it shall apply to HM Land Registry (by submitting a form RX1, CH2 or otherwise as appropriate) to:

- (i) enter a restriction in the following terms on the register or registers of title relating to any of its Real Property now or after the date of this Deed registered at HM Land Registry and against which this Deed may be noted:
"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [date] in favour of [•] referred to in the Charges Register [or [their conveyancer or specify appropriate details]]."
- (ii) to enter any obligation to make further advances on the relevant register of title.

This Clause shall prevail over any similar term in the Conditions.

- (b) The Chargor certifies to HM Land Registry that this Security does not contravene any of the provisions of its memorandum or articles of association or other constitutive documents.

9.2 Repair

- (a) The Chargor shall:
 - (i) keep the Charged Assets which are of a repairable nature in good and substantial repair and condition; and
 - (ii) not, without first obtaining the written consent of the Lender (such consent not to be unreasonably withheld or delayed), make any structural alterations or additions to or carry out any development on or make any planning or similar application relating to any Charged Asset.
- (b) If the Chargor fails to comply with the undertakings in paragraph (a) and above the Lender will be entitled to repair and maintain the Charged Assets and carry out works of reinstatement at the cost of the Chargor and will for this purpose have the rights of entry set out in this Clause 9.

9.3 Proprietorship

The Chargor shall not permit any person to:

- (a) be registered as proprietor under the Land Registration Act 2002 of any Charged Assets nor create or permit to arise any interest referred to in schedule 1 or schedule 3 of such Act affecting any Charged Asset; or
- (b) become entitled to any proprietary right or interest which might affect the value of any Charged Asset.

9.4 Notification of acquisitions and disposals

The Chargor shall promptly notify the Lender of any proposal, contract, conveyance, option, transfer or other disposition involving the acquisition by the Chargor of any interest in any Real Property or, without prejudice to Clause 7 (*Restrictions on dealings*), any sale, lease, transfer or other disposal by the Chargor of an interest in any Real Property.

9.5 Powers of leasing

The Chargor's statutory and any other powers of entering into Leases and accepting or agreeing to accept surrenders of Leases are excluded and shall not be exercisable by the Chargor in relation to the Charged Assets and the Chargor shall not without the prior written consent of the Lender (such consent not to be unreasonably withheld or delayed):

- (a) part with possession or occupation of, confer any licence or right to occupy, nor confer any interest in any Charged Asset;
- (b) grant any permission to assign, underlet or part with possession or occupation of any Charged Asset;
- (c) agree or permit any amendment to or waiver of the terms of any Lease (including any Lease under which the Chargor is tenant); or
- (d) exercise any power to determine any Lease.

9.6 Rents

The Chargor shall procure that all Rental Income shall be paid directly to the Designated Account and, immediately on demand by the Lender at any time, shall give written notice (in such form as the Lender may require or approve (acting reasonably)) to its tenants and other occupiers of the Real Property forming part of the Charged Assets to pay all Rental Income directly to the Designated Account. Upon such demand the Chargor shall hold any Rental Income received by it upon trust for the Lender until payment to the Lender.

9.7 Right of entry

The Chargor shall permit the Lender, its agents and contractors at reasonable times and upon reasonable notice (or at any time without notice after the occurrence of an Event of Default or in case of emergency) to enter into or upon any Charged Asset without becoming liable as mortgagee in possession to:

- (a) view the state and condition of or to value it;
- (b) comply with or object to any direction or notice or other matter served upon the Chargor; and
- (c) carry out at the cost of the Chargor any repairs or maintenance or to take any action which the Lender considers necessary or desirable in connection with any Charged Asset to procure compliance with any obligation of the Chargor in this Deed.

9.8 Documents of title

The Chargor shall deposit with the Lender all deeds and documents of title relating to the Charged Assets.

9.9 Environmental Law

The Chargor shall properly discharge all duties of care and responsibilities placed upon it by Environmental Law and observe and perform all the requirements of Environmental Law both in the conduct of its general business and in the management possession or occupation of the Charged Assets and shall apply for and obtain all authorisations, licenses and consents necessary to ensure that it does not breach Environmental Law.

10. Intellectual Property and Licences

10.1 Registrations

The Chargor shall promptly and at its own expense take all such steps and execute all such documents as the Lender reasonably requires in relation to the registration of the Lender's interest under this Deed in or in relation to any Intellectual Property forming part of the Charged Assets.

10.2 Maintenance of Intellectual Property

The Chargor shall:

- (a) preserve, maintain and renew as necessary all Intellectual Property forming part of the Charged Assets and promptly notify the Lender if it becomes aware of any infringement or suspected infringement of any such Intellectual Property by any person; and

- (b) conduct its business and affairs in such a way as not to endanger the existence or validity of any such Intellectual Property or to lead to the curtailment, forfeiture, invalidity or suspension of any such Intellectual Property.

10.3 Licences

The Chargor shall:

- (a) perform all of its obligations under or in relation to the Licences forming part of the Charged Assets in a timely and proper manner;
- (b) observe all of the terms of such Licences; and
- (c) use its reasonable endeavours to ensure that such Licences remain in full force and effect (including, where necessary, renewing them).

11. Insurance

11.1 Cover

- (a) The Chargor shall keep the Real Property forming part of the Charged Assets and all its other assets which are of an insurable nature insured (in the name of the Chargor with the Lender's interest noted on the policy or, if the Lender requires it, in the joint names of the Chargor and the Lender or with the Lender as composite insured in respect of its own separate insurable interest under any of the insurances) against all risks which a prudent person carrying on a business similar to that of the Chargor would reasonably insure against and against such other risks as the Lender may from time to time reasonably specify:
 - (i) in the case of assets other than buildings to their full replacement value; and
 - (ii) in the case of buildings on a full reinstatement basis and against all professional fees, value added tax, demolition and site clearance charges and loss of rental and other income derived from such buildings for at least three years.
- (b) All such insurances shall be in an amount and form and with an insurance office acceptable to the Lender and the Chargor shall as soon as requested produce the policy and the last receipt for such insurances to the Lender and shall apply all monies received by virtue of such insurances either in making good the loss or damage in respect of which the monies were received or at the option of the Lender in or towards payment of the Secured Obligations.

11.2 Non-compliance

If the Chargor fails to comply with this Clause 11 the Lender will be entitled to effect any relevant insurance at the cost of the Chargor.

11.3 Leasehold property

If the Real Property forming part of the Charged Assets includes any leasehold property of which the Chargor is the tenant and the landlord under the lease (or any superior landlord) is responsible for the insurance of any buildings on such Real Property and if the terms of such insurance are satisfactory to the Lender and the Chargor:

- (a) procures that every relevant policy contains a clause of the type referred to in Clause 11.4 (*Policy endorsements*); and
- (b) provides a full copy of every relevant policy to the Lender once in every year together with a copy of the receipt for that year's premium,

then such insurance will be deemed to have been accepted by the Lender in satisfaction of the obligation of the Chargor to insure the relevant buildings.

11.4 Policy endorsements

The Chargor shall ensure that every insurance policy contains a clause (in terms satisfactory to the Lender (acting reasonably)) under which such insurance will not be prejudiced, vitiated or avoidable as against a mortgagee in the event of any misrepresentation, act or neglect or failure to disclose on the part of the insured party or parties and will not be invalidated as against a mortgagee for failure to pay any premium owing without the insurer giving to the Lender ten Business Days prior written notice.

11.5 Conditions

If there is any inconsistency between this Clause 11 and the Conditions, this Clause 11 will prevail.

12. Receivables

12.1 Designated Account

The Chargor shall, upon request by the Lender, open and maintain a Designated Account.

12.2 Restriction on dealing

The Chargor shall not deal with the Receivables forming part of the Charged Assets other than by collecting them in the ordinary course of business and shall not charge, factor, discount or assign any of such Receivables in favour of a third party or subordinate, release or waive its rights in respect of any of such Receivables.

12.3 Collection and payment

The Chargor shall collect and realise all of the Receivables forming part of the Charged Assets and, upon request by the Lender, immediately on receipt pay the proceeds of payment or realisation of such Receivables or procure that such proceeds are paid into the Designated Account, and pending that payment will hold all monies so received upon trust for the Lender.

12.4 Notice of charge of Designated Account

The Chargor shall, upon request by the Lender, give notice of the charge of each Designated Account to the bank with which such Designated Account is held in the form set out in Schedule 3 (*Notice to Account Bank*) and shall use reasonable endeavours to procure that the bank with which such Designated Account is held executes and delivers to the Lender a duly completed acknowledgement of such notice.

12.5 Credit balance

The Lender shall have an absolute discretion whether to permit or refuse to permit any credit balance on any Designated Account to be utilised or withdrawn by the Chargor.

12.6 Factored Receivables

If the Lender releases, waives or postpones its rights in respect of any Receivable forming part of the Charged Assets to enable the Chargor to factor or discount them to any third party (the "factor"), the charges created by this Deed shall in all other respects remain in full force and effect. All amounts becoming due to the Chargor from the factor and any such Receivables re-assigned, or due to be re-assigned, to the Chargor shall be subject to the relevant fixed charge created by this Deed, subject only to any defences or rights of set-off which the factor may have against the Chargor.

12.7 Details of Receivables

The Chargor shall from time to time in writing provide the Lender with a list of the names and addresses of the debtors in relation to the Receivables forming part of the Charged Assets and the amount of the debts owing from each of them.

12.8 Assignment

Upon request by the Lender at any time the Chargor shall execute a legal assignment of any Receivable forming part of the Charged Assets to the Lender and give notice of such assignment to the debtor.

13. Investments

13.1 Deposit of certificates

The Chargor shall deposit with the Lender:

- (a) on or before the date of this Deed, the certificates or other documents of title to each Investment owned by the Chargor on such date;
- (b) on the date of the acquisition of any Investment acquired by the Chargor after the date of this Deed or on the withdrawal of any Investment owned by the Chargor from any clearance system, the certificates or other documents of title to each such Investment;
- (c) duly executed undated blank transfers in respect of each such Investment and forms of waiver of any pre-emption rights necessary to enable such transfers to be registered.

13.2 Payment of money due

The Chargor shall promptly pay all money which may from time to time be due in respect of any Investment forming part of the Charged Assets.

13.3 Nominees

If any Investment forming part of the Charged Assets is registered in the name of a nominee the Chargor shall on demand provide to the Lender an equitable mortgage over such Investment or power of attorney or acknowledgement of the rights created by this Deed over such Investment in favour of the Lender in such terms as the Lender may require duly executed by or on behalf of such nominee.

13.4 Completion of transfers

The Lender may at any time complete any transfers of any Investment delivered to it under paragraph (c) of Clause 13.1 (*Deposit of certificates*) in favour of itself or any nominee for it (or, at any time after this Security has become enforceable, in favour of a purchaser) as transferee and may present the same for registration.

13.5 Dividends and voting rights before this Security has become enforceable

Until this Security has become enforceable:

- (a) the Chargor shall be entitled to receive and utilise all Dividends in respect of any Investment forming part of the Charged Assets; and
- (b) the Chargor will be entitled to exercise all voting rights attached to any Investment forming part of the Charged Assets and if the Lender is registered as the holder of any such Investment it will exercise all voting rights attached to it as directed by the Chargor.

13.6 Dividends and voting rights after this Security has become enforceable

After this Security has become enforceable:

- (a) if any Investment forming part of the Charged Assets is not then registered in the name of the Lender or a nominee for the Lender the Lender will be entitled to become so registered or to procure registration in the name of a nominee;
- (b) all Dividends in respect of any Investment forming part of the Charged Assets will be payable to the Lender and may be applied by the Lender in reduction of the Secured Obligations whether or not any such Investment is registered in the name of the Lender or any nominee for the Lender or in the name of the Chargor or any nominee for the Chargor;
- (c) the Lender will be entitled at its discretion (but only after the service of notice by the Lender to the Chargor) to exercise or procure the exercise of all voting rights attached to any Investment forming part of the Charged Assets that is registered in the name of the Lender or any nominee for the Lender for the purpose only of preserving the value of such Investment or realising the Security over such Investment created by this Deed; and
- (d) the Chargor shall (after the service of notice by the Lender to the Chargor) exercise or procure the exercise of any voting rights attached to any Investment forming part of the Charged Assets that is registered in the name of the Chargor or any nominee for the Chargor as directed by the Lender for the purpose mentioned in paragraph (c) above.

13.7 Dematerialisation

The Chargor must promptly take all action required for the rematerialisation of any Investments forming part of the Charged Assets held in dematerialised form in a clearance system.

14. Material Contracts

14.1 Performance

- (a) The Chargor shall duly and promptly perform its obligations and enforce and diligently pursue its rights under each Material Contract.
- (b) Prior to the occurrence of an Event of Default, the Chargor shall remain entitled to exercise its rights and remedies under or in respect of the Material Contracts.
- (c) The Chargor shall take all reasonable and practicable steps to preserve and enforce its rights and remedies under or in respect of Material Contracts.

- (d) The Chargor shall give notice to the Lender forthwith in writing of any breach of any Material Contract or right of rescission or termination arising under any Material Contract together (where such breach is by the Chargor) with its proposals for causing any breach to be remedied and, subject to the Lender's approval of such proposals, forthwith implement them at the Chargor's expense to the satisfaction of the Lender.

14.2 No amendments

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

- (a) amend or waive (or agree to amend or waive) any provision of, or rescind or terminate, any Material Contract;
- (b) exercise any discretion to give consent to any action to be taken by any other party to any Material Contract; or
- (c) do anything which might jeopardise the enforceability of any Material Contract.

14.3 Copies

The Chargor shall supply to the Lender on request copies of each Material Contract and any other information and documentation relating to any Material Contract.

14.4 No restrictions on assignment

The Chargor will use its best endeavours to ensure that no Material Contract which it enters into after the date of this Deed shall contain restrictions which would cause it to be excluded from the charges or assignments contained in Clauses 4 (*Fixed Security*) or 5 (*Floating Security*).

14.5 Assignment of Material Contracts

The Chargor shall, at the request of the Lender, at its own expense, execute a deed of assignment of each Material Contract, either on the date of this Deed, or promptly upon such Material Contract being entered into.

14.6 Notice to third parties

The Chargor shall (subject to Clause 3.2 (*Consents*)) immediately serve notice of assignment in such form as the Lender may require on each counterparty to a Material Contract and use all reasonable endeavours to procure that such counterparty promptly delivers to the Lender a duly completed acknowledgement of such notice in form and substance satisfactory to the Lender.

14.7 Exercise of rights on Event of Default

On and after the occurrence of an Event of Default, the Lender may exercise (without any further consent or authority on the part of the Chargor and irrespective of any direction given by the Chargor) the Chargor's rights and remedies (including direction of any payments to the Lender) under or in respect of any Material Contract.

15. When Security becomes enforceable

15.1 Timing

This Security shall become immediately enforceable if:

- (a) an Event of Default occurs; or
- (b) the Chargor requests the Lender to exercise any of its powers under this Deed.

15.2 Enforcement

After this Security has become enforceable, the Lender may in its absolute discretion enforce all or any part of this Security in any manner it sees fit.

16. Enforcement of Security

16.1 Lender's powers

Immediately upon this Security becoming enforceable or at any time thereafter the Lender may:

- (a) exercise the power of sale and all other rights, powers and discretions conferred on mortgagees by section 101 of the Act as varied or extended by this Deed;
- (b) appoint one or more qualified persons as an Administrator of the Chargor (to act together or independently) in accordance with schedule B1 to the Insolvency Act 1986 and for this purpose "qualified person" means a person who, under the Insolvency Act 1986, is qualified to act as an administrator of any company with respect to which he is appointed;
- (c) subject to section 72A of and paragraph 43 of Schedule A1 to the Insolvency Act 1986, appoint one or more persons as a Receiver of all or any part of the Charged Assets;
- (d) exercise all the rights, powers and discretions conferred on a Receiver by this Deed, the Act, the Insolvency Act 1986 or otherwise by law, without first appointing a Receiver or notwithstanding the appointment of a Receiver;
- (e) by notice to the Chargor end the Chargor's right to possession of all or any Real Property forming part of the Charged Assets and enter into possession of all or such part of such Real Property;
- (f) exercise all other powers conferred on mortgagees or receivers by law;
- (g) to the extent that this Deed constitutes a "security financial collateral arrangement" as defined in the Regulations, without notice to the Chargor, appropriate any Charged Asset which constitutes "financial collateral" as defined in the Regulations in or towards satisfaction of the Secured Obligations and for this purpose the value of the financial collateral so appropriated shall be:
 - (i) in the case of cash, the amount standing to the credit of each relevant account together with any accrued but unposted interest at the time the right of appropriation is exercised;
 - (ii) in the case of any Investment, the market price of such Investment at the time the right of appropriation is exercised determined by the Lender in a commercially reasonable manner (including by reference to a public index or independent valuation or other procedure selected by the Lender acting reasonably); and
 - (iii) in the case of any other Charged Asset, such amount as the Lender determines having taken into account advice obtained by it from an independent investment or accounting firm of national standing selected by it.

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

16.2 Consideration on a disposal

The consideration for any sale or other disposal of the Charged Assets by the Lender or any Receiver in the exercise of their respective powers may (in addition to that permitted under the Act on a sale by a mortgagee) consist of cash, shares, securities, debentures or other valuable consideration, may fluctuate according to or dependent upon profit or turnover or be determined by a third party, and may be payable in a lump sum or in instalments (with or without security).

16.3 Leasing

The statutory powers of leasing conferred on the Lender are extended so as to authorise the Lender to lease, make agreements for leases, accept surrenders of leases and grant options as the Lender may think fit and without the need to comply with any provision of sections 99 or 100 of the Act, and may be exercised by the Lender at any time after this Security has become enforceable. Any lease granted will bind any holder of a subsequent Security deriving title under the Lender.

16.4 No liability as mortgagee in possession

Neither the Lender nor any Receiver shall be liable, by reason of entering into possession of the Charged Assets, to account as mortgagee in possession. If the Lender or any Receiver shall take possession of the Charged Assets it or he may at any time go out of possession.

16.5 Protection of third parties

No person (including a purchaser) dealing with the Lender or a Receiver will be concerned to enquire:

- (a) whether the Secured Obligations have become payable;
- (b) whether any right or power which the Lender or a Receiver is purporting to exercise has arisen or become exercisable;
- (c) whether any money remains due under this Deed or the other Finance Documents;
- (d) how any money paid to the Lender or to a Receiver is to be applied; or
- (e) as to the propriety or regularity of such dealings.

16.6 Redemption of prior mortgages

At any time after this Security has become enforceable, the Lender may redeem any prior Security against any Charged Asset, and/or procure the transfer of that Security to itself, and/or settle and pass the accounts of the prior mortgagee, chargee or encumbrancer. Any accounts so settled and passed shall be conclusive and binding on the Chargor. All principal moneys, interest, costs, charges and expenses of and incidental to any such redemption and/or transfer shall be paid by the Chargor to the Lender on demand and form part of the Secured Obligations.

16.7 Cash cover

At any time after this Security has become enforceable, the Chargor shall, immediately on demand, provide to the Lender full cash cover for any contingent liabilities forming part of the Secured Obligations including liabilities arising in respect of bills of exchange or promissory notes accepted, endorsed or discounted and bonds, guarantees, indemnities, documentary or other credits or other instruments from time to time entered into by the Lender.

16.8 Receipts

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

16.9 General

- (a) For the purposes of all rights, powers and discretions implied by statute or arising by law, the Secured Obligations are deemed to have become due and payable on the date of this Deed.
- (b) The power of sale and all other powers conferred on mortgagees by section 101 of the Act as varied or extended by this Deed shall arise on the execution of this Deed by the Chargor.
- (c) Section 103 of the Act (restricting the power of sale) and section 93 of the Act (restricting the right of consolidation) do not apply to this Security.
- (d) The power to appoint a Receiver pursuant to Clause 17.1 (*Appointment*) is in addition to the power to appoint a Receiver under section 101 of the Act. Section 109(1) of the Act does not apply to this Deed.

17. Receiver

17.1 Appointment

Any appointment of a Receiver by the Lender shall be by deed or in writing under its hand.

17.2 Extension of appointment

If a Receiver is appointed of part of the Charged Assets, the Lender may subsequently extend the appointment to all or any other part of the Charged Assets or appoint another Receiver of any other part of the Charged Assets.

17.3 Removal

The Lender may by writing under its hand or by deed (subject to any requirement for an order of the court in the case of an administrative receiver):

- (a) remove any Receiver appointed by it; and
- (b) whenever it deems it expedient, appoint a new Receiver to be an additional Receiver or in the place of any Receiver whose appointment may for any reason have terminated.

17.4 Remuneration

The Lender may appoint any Receiver upon such terms as to remuneration and otherwise as the Lender thinks fit, and the maximum rate specified in section 109(6) of the Act will not apply.

17.5 Payments to the Lender

Only monies actually paid by a Receiver to the Lender in satisfaction or discharge of the Secured Obligations shall be capable of being applied by the Lender for that purpose.

17.6 Agent of the Chargor

Each Receiver shall be the agent of the Chargor for all purposes and accordingly is deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. The Chargor alone shall be responsible for his remuneration and for his contracts, engagements, acts, omissions, defaults and losses and for liabilities incurred by him and the Lender shall not incur any liability (either to the Chargor or to any other person) by reason of the Lender making his appointment as a Receiver or for any other reason. If a liquidator is appointed in respect of the Chargor, the Receiver shall act as principal and not as agent of the Lender.

17.7 Receivers of the same assets

If at any time any two or more persons appointed by the Lender hold office as Receivers of the same assets or income, each of them may (unless otherwise stated in the instrument(s) appointing them) exercise all rights, powers and discretions conferred on Receivers by this Deed individually and to the exclusion of the other or others of them.

18. Powers of Receiver

18.1 General and statutory powers

A Receiver shall (subject to any limitations or restrictions expressed in the instrument appointing him) have all the rights, powers and discretions set out below in this Clause 18 in addition to those conferred on the Receiver by any law or otherwise conferred by this Deed. Such rights, powers and discretions include (without limitation):

- (a) in the case of an administrative receiver all the rights, powers and discretions conferred upon an administrative receiver under the Insolvency Act 1986; and
- (b) otherwise, all the rights, powers and discretions conferred on a receiver (or receiver and manager) under the Act or the Insolvency Act 1986.

18.2 Possession

A Receiver may take immediate possession of, collect and get in any Charged Asset.

18.3 Comply with undertakings

A Receiver may comply with and perform all of the undertakings and covenants of the Chargor contained in this Deed.

18.4 Carry on business

A Receiver may carry on, manage, develop, amalgamate, reconstruct or diversify the whole or any part of the Chargor's business and, where the Chargor has one or more Subsidiaries, may supervise, control and finance any such Subsidiary or business.

18.5 Building operations

A Receiver may commence and/or complete any building operations or development on any Real Property subject to any of this Security and apply for and obtain any planning permissions, building regulation approvals and any other permissions, consents or licences, and may appoint

and enter into contracts with building and engineering contractors or other contractors or professional advisors, in each such case as he may think fit.

18.6 Repairs

A Receiver may repair, decorate, maintain, furnish, alter or improve the Charged Assets.

18.7 Borrow money

A Receiver may raise or borrow money either unsecured or on the security of any Charged Asset either in priority to this Security or otherwise and generally on such terms as he may think fit.

18.8 Subsidiaries

A Receiver may form a Subsidiary of the Chargor and transfer any Charged Asset to that Subsidiary on such terms and conditions as he thinks fit.

18.9 Leasehold property

If the Real Property subject to any of this Security is leasehold a Receiver may vary the terms of or surrender the lease and/or take a new lease of such Real Property on such terms as he may think fit. Any such new lease shall automatically be charged to the Lender on the terms of this Deed so far as applicable, but a Receiver shall if requested by the Lender execute a formal legal charge over such new lease in favour of the Lender in such form as the Lender may require.

18.10 Power of sale

A Receiver may sell, transfer, assign, exchange, hire out, lend or otherwise convert into money or realise or dispose of the Charged Assets or concur in any of the same, either by public auction or private contract or in any other manner, and generally in such manner and on such terms and conditions and for such consideration as he may think fit. Equipment, other than landlord's fixtures (where the Real Property subject to this Security is leasehold), may be severed and sold separately from such Real Property.

18.11 Leases

A Receiver may grant Leases of Real Property subject to this Security for any term and at any rent, with or without a premium, and otherwise on such terms and conditions as he may think fit and may accept surrenders of such Leases on such terms as he may think fit, with or without a premium to or by any tenant or other person.

18.12 Transfers and other disposals

A Receiver may carry any sale, letting or other disposal into effect by transferring, letting or otherwise making such disposal in the name of the Chargor and for that purpose may give valid receipts for all moneys and enter into covenants and contractual obligations in the name of and so as to bind the Chargor.

18.13 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to the Charged Assets or the business of the Chargor as he may think fit.

18.14 Obligations in relation to the Charged Assets

A Receiver may enter into, perform, repudiate, rescind, rectify or vary contracts, bonds, covenants, commitments, guarantees, indemnities and similar matters in relation to the Charged

Assets and may make all payments needed to effect, maintain, perform or satisfy any of the same.

18.15 Settle disputes

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the Chargor or relating in any way to the Charged Assets.

18.16 Insurance

A Receiver may effect such insurances of or in connection with the Charged Assets as he may think fit.

18.17 Employees

A Receiver may engage or employ or dismiss managers, officers, contractors, agents, servants, workmen and others for any of the purposes referred to in this Clause 18 upon such terms as to remuneration or otherwise as he may think fit.

18.18 Prior Security

A Receiver may redeem, discharge or compromise any prior Security and settle the account of encumbrances on such terms as he may think fit.

18.19 Act in the Chargor's name

A Receiver may do all acts and execute in the name and on behalf of the Chargor, any deed, receipt or other document.

18.20 VAT

A Receiver may make such elections, registrations and applications for VAT purposes as he may think fit, and may do so in, or use the Chargor's name, for any such purpose.

18.21 Credit and guarantees

A Receiver may lend money or extend credit to any customer of the Chargor, enter into bonds, covenants, commitments, guarantees, indemnities or like matters and make all requisite payments to effect, maintain or satisfy the same.

18.22 Other acts

A Receiver may do all other acts and things which he may consider to be necessary, expedient or desirable for preserving, improving or realising any Charged Asset or the getting in and collection of the Charged Assets (or any assets which when got in would constitute Charged Assets) or which are incidental or conducive to any of the rights, powers and discretions conferred on a Receiver by or pursuant to this Deed or by law.

18.23 Other powers

A Receiver may exercise in relation to the Charged Assets all powers, authorities and things which he could exercise if he were the absolute beneficial owner of the Charged Assets.

19. Exclusion of liability

19.1 No obligation to recover

Neither the Lender nor any Receiver is under any obligation to take action to collect any money or enforce any rights comprised in the Charged Assets whether or not it is in possession of the relevant Charged Assets.

19.2 No liability as mortgagee in possession

Neither the Lender nor any Receiver shall be liable, by reason of entering into possession of the Charged Assets to account as mortgagee or be liable for any loss on realisation or for any default or omission for which a mortgagee might be liable.

19.3 Possession

If the Lender or any Receiver shall take possession of the Charged Assets it or he may at any time go out of possession. The Chargor will remain liable to observe and perform all conditions and obligations relating to the Charged Assets.

19.4 Losses on enforcement

The Lender or any Receiver will not be liable to the Chargor for any loss or damage arising from:

- (a) any sale of any Charged Asset;
- (b) any act, default or omission of the Lender or any Receiver in relation to any Charged Asset; or
- (c) any exercise or non-exercise by the Lender or any Receiver of any power conferred upon it in relation to any Charged Asset by or pursuant to this Deed or by the Act;

unless such loss or damage is caused by the fraud, gross negligence or wilful misconduct of the Lender or any Receiver.

20. Application of proceeds

20.1 Order of application

Subject to any claims having priority to this Security all money recovered by the Lender or any Receiver as a result of the enforcement of this Deed or otherwise by reason of this Security will be applied in the following order:

- (a) In payment of all costs, fees, taxes and expenses incurred by the Lender or any Receiver in or pursuant to the exercise of the powers set out in this Deed and all other outgoings properly payable by any Receiver;
- (b) in payment of remuneration to any Receiver;
- (c) in or towards payment of the Secured Obligations; and
- (d) the balance (if any) will be applied as required by law.

The Lender may at any time vary such order in its absolute discretion.

20.2 Contingent or future liabilities

If any money is received by the Lender or a Receiver as a result of the enforcement of or otherwise by reason of this Security at a time when the Secured Obligations include contingent or future liabilities the Lender or any Receiver may hold some or all of such money in an interest bearing suspense account.

21. Expenses and payments

21.1 Enforcement and preservation costs

All costs and expenses (including legal fees), charges and liabilities incurred in connection with the negotiation, preparation, printing, execution, registration and perfection, enforcement of, or the preservation of any rights under, this Deed by the Lender or any Receiver shall be paid by the Chargor to the Lender on demand.

21.2 Indemnity

The Chargor shall indemnify the Lender and any Receiver upon demand against all liabilities, claims and expenses whether arising out of contract or in tort or in any other way which may at any time be incurred by any of them in connection with this Deed or for anything done or omitted to be done in the exercise or purported exercise of their powers pursuant to this Deed unless such liabilities, claims and expenses are caused by the fraud, gross negligence or wilful default of the Lender or such Receiver.

21.3 Stamp taxes

The Chargor shall pay and, within three Business Days of demand, indemnify and/or secure the Lender and any Receiver against any cost, loss or liability the Lender or Receiver incurs in relation to all stamp duty, stamp duty land tax, registration and other similar taxes payable in respect of or in connection with the entry into, performance or enforcement against the Chargor of this Deed.

21.4 Value Added Tax

Where this Deed requires the Chargor to reimburse or indemnify and/or secure the Lender or any Receiver for any costs or expenses the Chargor shall at the same time pay and indemnify and/or secure the Lender or any Receiver against all VAT incurred by the Lender or any Receiver in respect of the costs and expenses to the extent that the Lender or any Receiver determines that it is not entitled to credit or repayment of the VAT. All amounts payable by the Chargor under this Deed are exclusive of VAT. The Chargor will, in addition, pay any applicable VAT on those amounts.

22. Delegation of powers by Lender or Receiver

22.1 Delegation

The Lender and (to the fullest extent permitted by law) any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by the Lender or any Receiver under this Deed. Any such delegation may be made upon the terms (including power to sub-delegate) and subject to any regulations which the Lender or Receiver (as the case may be) may think fit.

22.2 No liability for delegates

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

22.3 Construction of this Deed

References in this Deed to the Lender or a Receiver shall be deemed to include references to any delegate of the Lender or Receiver appointed in accordance with this Clause 22.

23. Further assurance

When required by the Lender or any Receiver the Chargor shall, at its own cost:

- (a) execute any documents or do any other thing which the Lender or any Receiver may require for perfecting or protecting any Security created or intended to be created by

this Deed or in connection with the exercise of any rights, powers or discretions given to the Lender or any Receiver under this Deed; and

- (b) convey, transfer, assign or otherwise deal with any Charged Assets in such manner as the Lender or any Receiver may require in connection with any enforcement of any of this Security.

24. Power of attorney

24.1 Grant of power of attorney

The Chargor, by way of security, irrevocably and severally appoints the Lender and each Receiver to be its attorney in its name and on its behalf to take any action which the Chargor is or may be obliged to take under or pursuant to this Deed or which the Lender or any Receiver in its or his sole and absolute discretion considers to be requisite, expedient or appropriate in order to carry any sale, lease or other disposal into effect, or to execute any deed, document or instrument, or to convey or transfer any legal estate or other interest in any asset, or to get in the Charged Assets, or generally to enable the Lender or a Receiver to exercise the respective rights, powers and discretions conferred on them by or pursuant to this Deed or by law.

24.2 Ratification

The Chargor agrees to ratify and confirm whatever any such attorney shall do, or attempt to do, in the exercise or purported exercise of the power of attorney granted under this Clause 24.

25. Non-release provisions

25.1 Waiver of defences

The obligations and liabilities of the Chargor under this Deed and this Security will not be affected by an act, omission or thing (whether or not known to it or the Lender) which, but for this Clause, would reduce, release or prejudice any of such obligations and liabilities or Security including:

- (a) any time, waiver or consent granted to, or composition with, any person;
- (b) the release of any person under the terms of any composition or arrangement;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over property of, any person;
- (d) 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;
- (e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person;
- (f) any amalgamation, merger or reconstruction of the Lender with any other person or any sale or transfer of the whole or any part of the assets of the Lender to any other person;
- (g) the existence of any claim, set-off or other rights which any other person may have at any time against the Lender, whether in connection with the Finance Documents or otherwise;
- (h) any novation, amendment (however fundamental) or replacement of a Finance Document or any other document or Security;

- (i) any obligation of any person under any Finance Document or any other document or Security being void, voidable, invalid, unenforceable or otherwise irrecoverable; or
- (j) any insolvency or similar proceedings.

25.2 Immediate recourse

The Chargor waives any right it may have of first requiring the Lender to proceed against or enforce any other rights or Security or claim payment from any person before enforcing this Security. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

25.3 Appropriations

During the Security Period the Lender 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 Obligations, or, subject to Clause 19 (*Application of proceeds*), apply and enforce the same in such manner and order as it sees fit (whether against the Secured Obligations 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 for or on account of the Secured Obligations.

25.4 Deferral of Chargor's rights

Until the expiry of the Security Period and unless the Lender otherwise directs, the Chargor will not exercise any rights which it may have by reason of the enforcement of this Deed to:

- (a) be indemnified by any other Obligor;
- (b) claim any contribution from any other Obligor or any other person in respect of any obligations and liabilities of that person under the Finance Documents;
- (c) take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender under the Finance Documents or of any other guarantee or Security taken pursuant to, or in connection with, the Finance Documents by the Lender;
- (d) bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which the Chargor has given Security under this Deed;
- (e) exercise any right of set-off against any Obligor;
- (f) exercise any right of quasi-retainer or other analogous equitable right; and/or
- (g) claim or prove as a creditor of any Obligor in competition with the Lender.

25.5 Turnover

If the Chargor receives any benefit, payment or distribution in relation to the rights referred to in Clause 25.4 (*Deferral of Chargor's rights*) it shall hold that benefit, payment or distribution on trust for the Lender and shall promptly pay or transfer the same to the Lender or as the Lender may direct for application in or towards discharge of the Secured Obligations.

26. Release and recourse

26.1 Release of Charged Assets

Upon the expiry of the Security Period (but not otherwise), the Lender shall, at the request and cost of the Chargor:

- (a) take whatever action is necessary to release the Charged Assets from, and/or to cancel, this Security; and
- (b) reassign or procure the reassignment to the Chargor of the assets assigned by it to the Lender pursuant to this Deed.

In each case subject to Clause 26.2 (*Releases conditional*) and without recourse to, or any representation or warranty by, the Lender or any of its nominees.

26.2 Releases conditional

Any settlement, release or discharge under this Deed between the Lender and the Chargor will be conditional upon no security or payment to the Lender by the Chargor or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any provision or enactment relating to bankruptcy, winding-up, administration or insolvency for the time being in force, and if such condition is not satisfied, the Lender will be entitled to recover from the Chargor on demand the value of such security or the amount of any such payment as if such settlement, release or discharge had not occurred and/or to enforce this Security to the full extent of the Secured Obligations. The Lender may concede or compromise any claim that any payment, security or disposition is liable to avoidance, refund or reduction.

27. Miscellaneous

27.1 Continuing security

This Security is continuing and will extend to the ultimate balance of all the Secured Obligations, regardless of any intermediate payment or discharge in whole or in part.

27.2 Additional Security

This Security is in addition to and is not in any way prejudiced by any bill, note, guarantee, indemnity or other Security now or subsequently held by the Lender for any of the Secured Obligations.

27.3 New accounts

If the Lender receives, or is deemed to be affected by, notice, whether actual or constructive, of any subsequent Security or other interest affecting any Charged Asset and/or the proceeds of sale of any Charged Asset, or this Security for any reason ceases to be a continuing security in respect of the Chargor, the Lender may open a new account for the Chargor. If the Lender does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice. As from that time all payments made to the Lender will be credited or be treated as having been credited to the new account and will not operate to reduce any amount for which this Deed is security.

27.4 No deduction or withholding

All payments made by the Chargor to the Lender under this Deed shall (save insofar as required by law to the contrary) be paid in full without set-off or counterclaim and free and clear of and

without any deduction or withholding or payment for or on account of any present or future tax, levy, duty, impost or other charge or withholding of a similar nature. If the Chargor shall be required by law to effect any such deduction or withholding or payment the Chargor shall immediately pay to the Lender such additional amount as will result in the immediate receipt by the Lender of the full amount which would otherwise have been received had no such deduction or withholding or payment been made.

27.5 Set-off

The Lender may set off any matured obligation owed by the Chargor to the Lender against any obligation (whether or not matured) owed by the Lender to the Chargor regardless of the place of payment, or currency of either obligation. If the obligations are in different currencies, the Lender may convert either obligation at a market rate of exchange for the purpose of the set-off in an amount estimated by it in good faith to be the amount of that obligation.

27.6 Remedies

No failure to exercise, nor any delay in exercising, on the part of the Lender, any right or remedy under this Deed, 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 Deed are cumulative and not exclusive of any rights or remedies provided by law.

27.7 Waivers

A waiver given or consent granted by the Lender under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

27.8 Partial invalidity

If, at any time, any provision of this Deed 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.

27.9 Amendments

Any term of this Deed may be amended, varied or supplemented with the consent of the Lender and the Chargor and by an instrument in writing signed by the parties to this Deed and any such amendment, variation or supplement will be binding on the Lender and the Chargor.

27.10 Certificates and determinations

Any certification or determination by the Lender of a rate or amount under this Deed is, in the absence of manifest or proven error, conclusive evidence of the matters to which it relates.

27.11 Accounts

In any litigation or arbitration proceedings arising out of or in connection with this Deed, the entries made in the accounts maintained by the Lender are *prima facie* evidence of the matters to which they relate.

27.12 Currency

- (a) In this Clause, the "**Spot Rate**" means the Lender's spot rate of exchange for the purchase of any currency with any other currency in the London foreign exchange market.
- (b) The Lender may convert any moneys received, recovered or realised in any currency under this Deed (including the proceeds of any previous conversion under this Clause) from their existing currency into any other currency, by purchasing that other currency at the Spot Rate.
- (c) If the Chargor fails to pay any sum under this Deed on the due date, the Lender may, without notice to the Chargor, purchase at the Spot Rate any currency which the Lender considers necessary or desirable to cover the liabilities of the Chargor to pay that sum.

27.13 Counterparts

This Deed 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 Deed.

27.14 Prior Charges

The Lender may, at any time after this Deed has become enforceable, redeem or transfer to itself, or may procure the redemption or the transfer to itself of any prior Security against the Charged Assets and may settle and pass the accounts of the prior chargee (which shall be binding on the Chargor) all principal monies, interest, costs, charges and expenses of and incidental to such redemption or transfer shall be paid by the Chargor to the Lender on demand.

28. Benefit of this Deed

28.1 Assignment by the Lender

The Lender may at any time assign or transfer all or any part of its rights and/or obligations under this Deed without the consent of the Chargor. The Chargor shall enter into any documents specified by the Lender to be necessary to give effect to such assignment or transfer.

28.2 No assignment by the Chargor

The Chargor may not assign or transfer all or any part of its rights and/or obligations under this Deed.

28.3 Disclosure of information

The Lender may disclose:

- (a) to any person to (or through) whom it assigns or transfers (or may potentially assign or transfer) this Security or all or any of its rights and obligations under this Deed;
- (b) any Receiver or proposed replacement or additional Receiver;
- (c) any person with (or through) whom it enters into (or may potentially enter into) any arrangement in relation to, or any other transaction under which payments are to be made by reference to, the Secured Obligations; or
- (d) any person to whom, and to the extent that, information is required to be disclosed by any applicable law or regulation,

any information about the Chargor and this Deed as the Lender shall consider appropriate.

28.4 Change in name or constitution

This Deed shall remain valid and enforceable notwithstanding any change in the name, composition or constitution of any party or any merger, amalgamation or consolidation of such party with any other corporation or any reconstruction or reorganisation of any kind.

29. Communications

29.1 Notices

Any notice, demand or other communication under this Deed may be given in accordance with the provisions of the Credit Agreement.

29.2 English language

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

30. Governing law

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

31. Enforcement

31.1 Jurisdiction

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed or any non-contractual obligations arising out of or in connection with this Deed) (a "Dispute").
- (b) The Lender and the Chargor agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly neither of them will argue to the contrary.
- (c) This Clause 31.1 is for the benefit of the Lender only. As a result, the Lender shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Lender may take concurrent proceedings in any number of jurisdictions.

31.2 Waiver of immunity

The Chargor irrevocably and unconditionally:

- (a) agrees not to claim any immunity from proceedings brought by the Lender against the Chargor in relation to this Deed and any non-contractual obligations arising out of or in connection with it and to ensure that no such claim is made on its behalf;
- (b) consents generally to the giving of any relief or the issue of any process in connection with those proceedings; and
- (c) waives all rights of immunity in respect of it or its assets.

EXECUTED as a deed and delivered by the Chargor and signed on behalf of the Lender on the date shown at the beginning of this document.

Schedule 1
Real Property

Schedule 2

Material Contracts and other assets

LIST CONSTRUCTION DOCUMENTS HERE

1. Building Contract dated

[] (2)

2. Deed of Appointment Letter

[] (2)

3. Deed of Appointment Letter

[] (2)

4. [Performance Bond]

201[] between the Chargor (1) and

201[] between the Chargor (1) and

201[] between the Chargor (1) and

Schedule 3

Notice to Account Bank

To: [Account Bank]

[Date]

Dear Sirs

Security Agreement dated [•] (the "Debenture") between [insert name of Chargor] and [•] (the "Lender")

1. This letter constitutes notice to you that under the Debenture we have charged by way of first fixed charge in favour of the Lender all our rights, title and interest in all sums of money which may now or in the future be held with you for our account in the accounts identified in the schedule to this notice and to any other accounts from time to time maintained with you by us (the "Accounts") together with all interest from time to time earned on such sums and the debts represented by such sums and interest.
2. With effect from the date of your receipt of this notice:
 - (a) all sums from time to time standing to the credit of the Accounts should be held to the order of the Lender;
 - (b) such sums may only be paid or released in accordance with the written instructions of the Lender at any time;
 - (c) the terms and conditions relating to the Accounts may not be amended, varied or waived without the prior written consent of the Lender; and
 - (d) we are not permitted to withdraw any amount from the Accounts without the prior written consent of the Lender.
3. You are authorised and instructed, without requiring further approval from us:
 - (a) to pay all monies received by you for the Accounts to (and only to) the credit of the Accounts;
 - (b) to provide the Lender with such information relating to the Accounts as it may from time to time request; and
 - (c) to comply with the terms of any written notice or instructions in any way relating to, or purporting to relate to, the Debenture, the sums standing to the credit of the Accounts from time to time or the debts represented by them which you receive at any time from the Lender without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction.
4. These instructions may not be revoked without the prior written consent of the Lender.
5. Please sign and return the enclosed copy of this notice to the Lender (with a copy to us) to confirm (by way of undertaking in favour of the Lender) that:
 - (a) you agree to the terms of this notice and to act in accordance with its provisions;
 - (b) you have not received notice of the interest of any third party in the accounts; and

- (c) you have not and will not claim, exercise or enforce any security interest, right of set-off, counterclaim or similar right in respect of the Accounts or the debts represented by them without the prior written consent of the Lender.

6. This notice and any non-contractual obligations arising out of or in relation to this notice shall be governed by, and interpreted in accordance with, English law.

Yours faithfully

.....
for and on behalf of

[•] as Chargor

.....
for and on behalf of

[•] as Lender

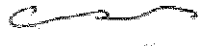
Schedule

Account Number	Sort Code
[•]	[•]

Signatories

The Chargor

EXECUTED as a **DEED** by **CDC BESPOKE PROPERTIES**
(BROMSGROVE) LIMITED acting
by a director in the presence of:


.....
Signature of director

Signature of witness

Print name

Address



WILLIAM GADBOURN

8 SAWSONE WALK

WORCESTER

WEI ICW

The Lender

SIGNED for and on behalf of **BUSINESS LENDING RESIDENTIAL FUNDING 3 LIMITED**

By: