



Registration of a Charge

LLP name: **LEA CASTLE JV LLP**

LLP number: **OC417276**



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Received for Electronic Filing: **18/02/2020**

Details of Charge

Date of creation: **31/01/2020**

Charge code: **OC41 7276 0001**

Persons entitled: **VISTRY PARTNERSHIPS LIMITED**

Brief description: **ALL OF THE CHARGOR'S INTELLECTUAL PROPERTY. FOR MORE DETAILS PLEASE REFER TO THE INSTRUMENT. CONTAINS FIXED CHARGE. CONTAINS FLOATING CHARGE. FLOATING CHARGE COVERS ALL THE PROPERTY OR UNDERTAKING OF THE COMPANY. CONTAINS NEGATIVE PLEDGE.**

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 AS APPLIED BY THE LIMITED LIABILITY PARTNERSHIPS (APPLICATION OF COMPANIES ACT 2006) REGULATIONS 2009 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **ESMA KILIC (SOLICITOR)**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

LLP number: OC417276

Charge code: OC41 7276 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 31st January 2020 and created by LEA CASTLE JV LLP was delivered pursuant to Part 25 of the Companies Act 2006 as applied by The Limited Liability Partnerships (Application of Companies Act 2006) (Amendment) Regulations 2013 on 18th February 2020 .

Given at Companies House, Cardiff on 19th February 2020

The above information was communicated by electronic means and authenticated
by the Registrar of Companies under the Limited Liability Partnership
(Application of the Companies Act 2006) Regulations 2009 SI 2009/1804



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DAC BEACHCROFT

Dated 31 January 2020

(1) LEA CASTLE JV LLP

- and -

(2) VISTRY PARTNERSHIPS LIMITED

Debenture

THIS DEBENTURE IS SUBJECT TO THE TERMS OF AN INTERCREDITOR AGREEMENT
DATED ON OR AROUND THE DATE OF THIS DEBENTURE AND MADE BETWEEN EACH OF
LEA CASTLE JV LLP, CITIZEN NEW HOMES LIMITED AND VISTRY PARTNERSHIPS
LIMITED

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THIS DEBENTURE is made the **31** day of **January** 2020

BETWEEN:

- (1) **LEA CASTLE JV LLP**, a limited liability partnership incorporated in England and Wales (with registration number OC417276), whose registered office is at 11 Tower View, Kings Hill, West Malling, Kent ME19 4UY (the "**Chargor**"); and
- (2) **VISTRY PARTNERSHIPS LIMITED** a company registered in England (with reegistration Number 00800384), whose registered office is at 11 Tower View, Kings Hill, West Malling, Kent ME19 4UY, acting as security trustee for itself and the Vistry Member (as defined below) (the "**Security Trustee**").

IT IS AGREED

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed, unless the context otherwise requires:

"Accounts" means any account of the Chargor with any bank, financial institution or other person.

"Affiliate" means in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing 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 the undertaking, property, rights and assets of the Chargor mortgaged, charged or assigned to the Security Trustee under this Deed, including any part thereof and any interest therein.

"Citizen Lender" means Citizen New Homes Limited (company registration number 07561213 whose registered office is at 4040 Lakeside Solihull Parkway, Birmingham Business Park, Birmingham, England, B37 7YN).

"Collateral Instruments" means instruments, guarantees, indemnities and other assurances against financial loss and any other documents which contain or evidence an obligation to pay or discharge any liabilities of any person.

"Debts" means the assets of the Chargor described in Clause 5.3 (Debts).

"Default Rate" means 5.5% above the Bank of England base rate from time to time.

"Development" shall have the meaning given to such term by the LLP Agreement.

"Event of Default" has the meaning set out in the Facility Agreement.

"Facility Agreement" means the facility letter dated on or around the date of this Deed and made between the Chargor and Security Trustee.

"Finance Documents" means the Facility Agreement, this Deed, the Management Agreement, any facility letter, agreement or document from time to time under which the Security Trustee advances monies to the Chargor, each document under which the Chargor from time to time grants Security in favour of the Security Trustee, the Intercreditor Agreement and any other document designated as a Finance Document by each of the Chargor and the Security Trustee.

"Floating Charge Assets" means the assets of the Chargor described in Clause 3.2 (Floating Charge).

"Holding Company" means in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

"Insurances" means all contracts or policies of insurance in which the Chargor has an interest

"Intellectual Property" means:

- (a) any patents, trade marks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests, whether registered or unregistered and
- (b) the benefit of all applications and rights to use such assets of the Chargor.

"Intercreditor Agreement" means the intercreditor agreement dated on or about the date of this Deed and made between each of the Chargor, the Security Trustee and the Citizen Lender as the same may be modified, amended, varied, replaced, supplemented, or novated from time to time.

"Investments" means any shares, stocks, debenture security, securities, bonds and investments of any type whatever, including but not limited to, negotiable instruments, certificates of deposit, eligible debt securities, interests in collective investment schemes, or other investments referred to in section 22, and as defined in Part II of Schedule 2 of the Financial Services and Markets Act 2000 and Part III of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, whether certificated or uncertificated, physical or dematerialised, registered or unregistered, held by the Chargor or by a trustee or clearance system or nominee.

"LLP Agreement" means the LLP agreement dated on or about the date of this Deed and made between the Chargor, the Vistry Member and the Citizen Lender.

LPA means the Law of Property Act 1925.

"Management Agreement" means the management agreement and the LLP corporate secretarial services agreement dated on or around the date of this Deed between the Chargor and the Security Trustee relating to the provision of management services/corporate secretarial services as the same may be modified, amended, varied, replaced, supplemented, or novated from time to time.

"Material Adverse Effect" means a material adverse effect on:

- (a) the business, assets or financial condition of the Chargor and/or
- (b) the ability of the Chargor to perform any of its obligations under the Finance Documents to which it is a party and/or
- (c) the value or enforceability of the Security held by the Security Trustee in respect of the Secured Liabilities.

"Party" means a party to this Deed and includes its successors in title, permitted assigns and permitted transferees, whether immediate or derivative, and **Parties** shall be construed accordingly.

"Permitted Security" means:

- (a) any Security granted in favour of the Security Trustee or the Citizen Lender as contemplated by the Finance Documents;
- (b) any lien arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by the Chargor
- (c) any netting or set-off arrangement entered into by the Chargor in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances
- (d) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to the Chargor in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by the Chargor or
- (e) any Security permitted by the Security Trustee and the Citizen Lender in writing.

"Property" means:

- (a) all present and future freehold and leasehold property or immovable property of a Chargor situate in England and Wales;

- (b) any buildings, fixtures, fittings, plant and machinery from time to time on or forming part of the property referred to in paragraph (a) above;
- (c) any Property Related Rights arising in relation to any of the assets described in paragraphs (a) and (b) (inclusive),

and **"Properties"** shall be construed accordingly.

"Property Related Rights" means, where used in relation to any Property, the following:

- (a) the proceeds of sale and/or other realisation of that asset (or any part thereof or interest therein);
- (b) all Security, Authorisations, options, agreements, rights, easements, benefits, indemnities, guarantees, warranties or covenants for title in respect of such asset; and
- (c) all rights under any lease, licence or agreement for lease, sale or use in respect of such asset.

"Receiver" means any one or more receivers and/or managers appointed by the Security Trustee pursuant to this Deed in respect of the Chargor or over all or any of the Charged Assets.

"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.

"Related Rights" means in respect of any Investment:

- (a) all moneys paid or payable in respect of that Investment (whether as income, capital or otherwise);
- (b) all shares, investments or other assets derived from that Investment; and
- (c) all rights derived from or incidental to that Investment.

"Reservations" means:

- (a) the principle that equitable remedies are remedies which may be granted or refused at the discretion of the court;
- (b) the limitation of enforcement by laws relating to bankruptcy, insolvency, liquidation, reorganisation, court schemes, moratoria, administration and other laws generally affecting the rights of creditors;
- (c) the time barring of claims under the Limitation Acts;

- (d) the possibility that an undertaking to assume liability for or to indemnify a person against non payment of stamp duty may be void;
- (e) defences of set-off or counter-claim; and
- (f) similar principles and similar matters arising under the laws of any foreign jurisdictions in which the relevant obligations may have to be performed.

"Secured Liabilities" means all moneys, debts, obligations and liabilities from time to time due, owing or incurred by the Chargor to the Security Trustee or to the Vistry Member, in each case:

- (a) whether present or future;
- (b) whether alone or jointly with any other person;
- (c) whether actual or contingent;
- (d) whether as principal or as surety
- (e) whether originally owing to the Security Trustee or to the Vistry Member or purchased or otherwise acquired by the Security Trustee or the Vistry Member;
- (e) in whatsoever name, firm or style;
- (f) in whatsoever currency denominated;
- (g) whether pursuant to the Finance Documents or any other arrangement or agreement or otherwise,

together with interest (both before and after judgement) to the date of payment at such rates and on such terms as may from time to time be agreed, commission, fees and other charges and all legal and other costs, charges and expenses on a full and unqualified indemnity basis which may be incurred by the Security Trustee in relation to any such moneys obligations or liabilities or generally in respect of the Chargor or under this Deed.

"Security" means a mortgage, charge, pledge, lien, security assignment, right of set off, hypothecation or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Security Period" means the period from the date of this Deed until the Security Trustee confirms in writing to the Chargor that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and the Security Trustee has no continuing obligation to make facilities available to the Chargor.

"Subsidiary" means a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006.

"Tax" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"VAT" means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature which may be imposed from time to time.

"Vistry Member" means Vistry Linden Limited (company registration number 03158857) whose registered office is at 11 Tower View, Kings Hill, West Malling, Kent ME19 4UY.

1.2 Construction

1.2.1 Any reference in this Deed to:

- (a) **assets** includes present and future property, revenues and rights of every description;
- (b) unless the context otherwise requires, references to Clauses and Schedules are references to clauses and schedules of this Deed;
- (c) **this Deed** or any other agreement or instrument is a reference to this Deed or that other agreement or instrument as the same may have been, or may from time to time be, amended, novated, replaced, restated, supplemented or varied provided that, where the consent of the Security Trustee is required pursuant to any Finance Document or otherwise to such amendment, novation, replacement, restatement, supplement or variation, such consent has been obtained;
- (d) **indebtedness** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- (e) a **guarantee** includes any guarantee, indemnity, counter indemnity or other assurance in respect of the indebtedness of any person;
- (f) a **person** includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing and includes its successors and (in the case of the Security Trustee only) its permitted assignees and transferees;
- (g) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of the law) of any governmental, intergovernmental or supranational body, agency,

department or regulatory, self-regulatory or other authority or organisation;

- (h) a reference to **determines** or **determined** means a determination made in the absolute discretion of the person making the determination;
- (i) a provision of law is a reference to that provision as amended or re-enacted;
- (j) a **charge** or **mortgage** of any freehold or leasehold property includes:
 - (i) all buildings, fixtures and fixed plant and machinery on that property;
 - (ii) the proceeds of sale of the whole or any part of that property; and
 - (iii) all rights appurtenant to or benefiting that property.

1.2.2 Clause and Schedule headings are for ease of reference only.

1.2.3 An Event of Default is **continuing** if it has not been remedied to the satisfaction of the Security Trustee or waived by it in writing.

1.2.4 This Deed is intended to take effect as a deed notwithstanding that a Party may have executed it under hand only.

1.2.5 Any grant of rights with full title guarantee shall be deemed to contain all of the covenants and warranties implied in respect of any conveyance with full title guarantee pursuant to section 1(2) of the Law of Property (Miscellaneous Provisions) Act 1994.

1.2.6 Words importing the plural shall include the singular and vice versa.

1.3 **Qualifying floating charge**

This Deed contains a qualifying floating charge and paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by Clause 3.2 (Floating Charges).

1.4 **Administration**

1.4.1 Any reference in this Deed, or any other document entered into or in connection with it, to the making of an administration order shall be treated as including a reference to the appointment of an administrator under paragraph 14 (by the holder of a qualifying floating charge in respect of the Chargor's assets) or 22 (by the Chargor or the directors of the Chargor) of

Schedule B1 to the Insolvency Act 1986 or any steps taken toward such order or appointment.

- 1.4.2 Any reference in this Deed or any other document entered into or in connection with it, to making an application for an administration order by petition shall be treated as including a reference to making an administration application to the court under Schedule B1 to the Insolvency Act 1986, appointing an administrator under paragraph 14 or 22 of that Schedule, or giving notice under paragraph 15 or 26 of that Schedule of intention to appoint an administrator or any steps taken towards such application or notice.

1.5 Third party rights

- 1.5.1 Unless expressly provided to the contrary in this Deed, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.
- 1.5.2 The consent of any person which is not a Party is not required to rescind or vary this Deed or any other agreement entered into under or in connection with it.

1.6 Law of Property (Miscellaneous Provisions) Act 1989

For the purposes of the Law of Property (Miscellaneous Provisions) Act 1989, any provisions of each Finance Document relating to any disposition of property shall be deemed to be incorporated in this Deed.

1.7 Intercreditor Agreement

This Deed is subject to the terms of the Intercreditor Agreement.

1.8 Trusts

- 1.8.1 The Security Trustee holds the benefit of this Deed on trust for itself and the Vistry Member in accordance with the arrangements from time to time agreed between the Security Trustee and the Vistry Member.
- 1.8.2 The perpetuity period for any trusts created by this Deed is 125 years.

2. COVENANT TO PAY

2.1 Covenant

The Chargor covenants in favour of the Security Trustee (as security trustee for itself and the Vistry Member) that it will on demand pay to the Security Trustee or perform and discharge, as the case may be, all the Secured Liabilities when the Secured Liabilities become due for payment, performance or discharge whether by demand, acceleration or otherwise.

2.2 Interest on late payments

If the Chargor fails to pay any amount payable by it under this Deed on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at the Default Rate. Such interest (if unpaid) shall be compounded monthly.

3. CHARGES

3.1 Fixed charge

The Chargor with full title guarantee charges to the Security Trustee as a continuing security for the payment and discharge of the Secured Liabilities the following assets, both present and future:

3.1.1 by way of first legal mortgage, each Property now belonging to the Chargor;

3.1.2 by way of fixed charge:

- (a) (to the extent that they are not the subject of an effective mortgage under Clause 3.1.1) all Property now or hereafter belonging to the Chargor;
- (b) all plant, machinery and equipment owned by the Chargor and its interest in any plant, machinery and equipment in its possession;
- (c) all its rights, title and interest in the Insurances;
- (d) all furniture, furnishings, tools, vehicles, computers, computer software and hardware and office and other equipment and other chattels belonging to the Chargor and the benefit of all contracts, licences and warranties relating to the same;
- (e) its Investments together with all Related Rights;
- (f) all its Intellectual Property;
- (g) the amount from time to time standing to the credit of any Account;
- (h) all of its book and other debts and their proceeds and all monies due and owing to it together with the full benefit of all Security, Collateral Instruments and other rights relating to any of the foregoing;
- (i) all its goodwill and uncalled capital; and
- (j) the benefit of all Authorisations held in connection with its business or the use of any Charged Assets and the right to recover and

receive all compensation which may be payable to it in respect of such Authorisations or the Charged Assets.

3.2 Floating charge

The Chargor with full title guarantee charges to the Security Trustee as a continuing security for the payment and discharge of the Secured Liabilities by way of floating charge all its undertaking, property and assets whatsoever and wheresoever both present and future, other than any property or assets from time to time effectively charged by way of legal mortgage or fixed charge pursuant to Clause 3.1 (Fixed Charge).

3.3 Conversion of floating charge by notice

The Security Trustee may by notice to the Chargor convert the floating charge created by this Deed into a fixed charge as regards all or any of the Chargor's assets specified in the notice if:

- 3.3.1 an Event of Default is continuing; or
- 3.3.2 service of a demand by the Chargor pursuant to Clause 2.1 (Covenant); or
- 3.3.3 the Security Trustee considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution, sequestration or other process or to be otherwise in jeopardy.

3.4 Automatic conversion

If without the prior written consent of the Security Trustee or as permitted under this Deed:

- 3.4.1 other than in respect of Permitted Security, the Chargor creates any Security (whether by way of fixed or floating Security) over, or otherwise encumbers, any of the Charged Assets subject to a floating charge under this Deed or attempts to do so;
- 3.4.2 any person levies or attempts to levy any distress, attachment, execution, sequestration or other process against any of the Charged Assets;
- 3.4.3 any other floating charge of the Chargor is crystallised; or
- 3.4.4 any action, proceedings, procedure or steps are taken for the winding up, dissolution, administration or reorganisation of the Chargor,

the floating charge created by this Deed shall automatically without notice operate and have effect as a fixed charge instantly upon such event occurring.

3.5 Small company moratorium

Where the Chargor is an eligible company within the meaning of paragraphs 2 to 4 (inclusive) of Schedule A1 of the Insolvency Act 1986, then the obtaining of a moratorium, including any preliminary decision, or investigation in terms of paragraph 43 of Schedule A1 of the Insolvency Act 1986 shall not cause the floating charge created by this Deed to crystallise into a fixed charge, nor cause restrictions which would not otherwise apply to be imposed on the disposal of its property and assets by the Chargor.

4. NOTICES OF CHARGE OR ASSIGNMENT

4.1 Charge over account

4.1.1 The Chargor shall give notice in the form specified in Schedule 1 (*Form of notice to the bank or institution operating an Account*) to each financial institution at which any Account is held that the Chargor has created a fixed charge over the balance standing to the credit of that Account.

4.1.2 The Chargor will give the notices referred to in Clause 4.1.1:

- (a) in the case of an Account held by the Chargor at the date of this Deed, on the date of this Deed; and
- (b) in the case of an Account opened after the date of this Deed, on that Account being opened.

4.1.3 The Chargor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges receipt of that notice substantially in the form specified in Schedule 2 (*Form of acknowledgement from bank or institution operating an Account*) within five Business Days of that notice being given.

5. UNDERTAKINGS

5.1 Duration

The undertakings in this Clause 5 remain in force during the Security Period.

5.2 Negative Pledge

The Chargor shall not, now or in the future, create or permit to subsist any Security over any of its assets, other than Permitted Security.

5.3 **Debts**

The Chargor will:

- 5.3.1 collect in the ordinary course of its business and pay into an Account specified by the Security Trustee all debts owing to it and all other amounts received by it and hold the proceeds of such debts and other amounts received by it (until payment into such Account) on trust for the Security Trustee;
- 5.3.2 not, without the prior written consent of the Security Trustee:
 - (a) set off, vary, postpone or release any of the Debts; or
 - (b) do or omit to do anything which may delay or prejudice the full recovery of any Debt.

5.4 **Deposit of deeds**

The Chargor will deposit with the Security Trustee (to be held at the risk of the Chargor) all deeds and documents of title relating to the Properties and such other Charged Assets as the Security Trustee may require.

5.5 **Compliance with covenants**

The Chargor will:

- 5.5.1 observe and perform all covenants, burdens, stipulations, requirements and obligations from time to time affecting the Charged Assets or the use, ownership, occupation, possession or other enjoyment of the Charged Assets whether imposed by statute, contract, lease or otherwise where failure to do so has or is reasonably likely to have a Material Adverse Effect;
- 5.5.2 do all acts necessary to preserve its rights, title and interest in and to the Charged Assets; and
- 5.5.3 not, without the written prior consent of the Security Trustee, enter into any onerous or restrictive obligations affecting any of the Charged Assets.

5.6 **Repair**

Save as necessary to progress the Development, the Chargor will keep all its buildings, fixtures, fittings, plant and machinery (or procure that they are kept) in good repair and in good working order and condition (fair wear and tear excepted in the case of fixtures, plant and machinery) and fully protected against damage or deterioration and when necessary replace the same with items of similar quality and value.

5.7 Access

The Chargor will permit any person appointed by the Security Trustee, without the Security Trustee becoming liable to account as mortgagee in possession, (at reasonable times and on reasonable notice) to enter on and inspect the state of the Properties and other premises (if any) on which the Chargor shall from time to time be carrying out any contract or other works.

5.8 Information

The Chargor will produce to the Security Trustee such documents or information relating to the Charged Assets as the Security Trustee may from time to time reasonably request and promptly deliver to the Security Trustee a copy of any notice or proceedings served by any person on the Chargor concerning the Charged Assets or alleging any breach of its obligations relating to the Charged Assets.

5.9 Notices

5.9.1 The Chargor will, within five Business Days of receipt, give full particulars to the Security Trustee of any notice, order or direction having specific application to any of Charged Assets, given or made by any public body or authority whatever.

5.9.2 The Chargor will, if requested by the Security Trustee, without delay and at its own cost take all reasonable or necessary steps to comply with any such notice, order or direction.

5.9.3 The Chargor will further, if requested by the Security Trustee, but at its own cost, make or join with the Security Trustee in making such objections or representations against or in respect of any such notice, order or direction as the Security Trustee shall reasonably deem expedient.

5.9.4 Any compensation received by the Chargor as a result of any notice or order shall be applied in repayment of the Secured Liabilities.

5.10 Compliance with law

The Chargor will at all times acquire and maintain all Authorisations required by its ownership, use or occupation of the Properties or for the conduct of its business or the ownership and use of its assets and will comply with all terms and conditions relating to such Authorisations and with all other applicable laws and will not do or permit any act or omission whereby any such Authorisations would be liable to be varied or revoked.

5.11 Jeopardy

The Chargor will not do, or cause or permit to be done, anything which may depreciate, jeopardise or otherwise prejudice the value of the Charged Assets without the prior written consent of the Security Trustee.

5.12 Land Registration Acts

The Chargor will not, without the prior written consent of the Security Trustee:

- 5.12.1 permit any person to be registered as proprietor under the Land Registration Acts of any Property;
- 5.12.2 create or knowingly permit to arise or subsist any overriding interest affecting any Property; or
- 5.12.3 permit any person to become entitled to any proprietary right or interest which might reasonably be expected adversely to affect the value of any Property or any other Charged Asset.

5.13 Additional Property

- 5.13.1 The Chargor will inform the Security Trustee immediately on contracting to purchase any estate or interest in any property and will supply the Security Trustee with such details of any such purchase as the Security Trustee may from time to time reasonably require.
- 5.13.2 The Chargor will, on demand by the Security Trustee, and at the cost of the Chargor, execute and deliver to the Security Trustee a legal mortgage (or equivalent security in the relevant jurisdiction) in favour of the Security Trustee over any property which becomes vested in it after the date of this Deed in form and substance satisfactory to the Security Trustee.

5.14 Insurances

- 5.14.1 The Chargor shall effect:
 - (a) insurance of the Charged Assets against all risks which a prudent person carrying on business similar to that of the Chargor would reasonably insure against and against such other risks as the Security Trustee may reasonably specify from time to time save that:
 - (i) the excesses in respect of such insurance shall not exceed the amounts specified by the Security Trustee;
 - (ii) the insurance shall be for the full reinstatement value of the Charged Assets (which in the case of any Property

shall be deemed to be the value of that Property as specified in the most recent valuation);

- (b) insurance against acts of terrorism; and
- (c) insurance against three years loss of rent,

all such Insurances to be in amount and in a form and with an insurance company or underwriters acceptable to the Security Trustee (acting reasonably).

5.14.2 The Chargor will procure that the Security Trustee is either joint insured or, if so agreed by the Security Trustee, noted as mortgagee and loss payee on each such insurance policy and that every such policy shall contain:

- (a) a standard mortgagee clause whereby such insurance shall not be vitiated or avoided as against a mortgagee in the event or as a result of any misrepresentation, act or neglect or failure to make disclosure on the part of the insured party or any circumstance beyond the control of the insured party; and
- (b) terms providing that it shall not be invalidated so far as the Security Trustee is concerned for failure to pay any premium due without the insurer first giving to the Security Trustee not less than 10 Business Days' notice.

5.14.3 The Chargor will promptly on request supply copies of its Insurances and will notify the Security Trustee of new policies, renewals made and material variations or cancellations of policies made or, to the knowledge of the Chargor, threatened or pending.

5.14.4 The Chargor shall not do or permit to be done anything which may make void or voidable any of the Insurances.

5.14.5 The Chargor shall promptly pay all premiums and do all other things necessary to keep all of the Insurances.

5.14.6 If the Chargor fails to comply with any of the provisions of this Clause 5.14, the Security Trustee shall immediately be entitled to effect the Insurances concerned at the expense of the Chargor.

5.14.7 Subject to Clause 5.14.8, the Chargor shall apply all monies received or receivable under any Insurance (other than any insurance in respect of any third party liability) towards replacing, restoring or reinstating the relevant asset. Any proceeds of insurance received by the Chargor shall, pending such replacement, restoration or reinstatement of the Property, be credited to an Account specified by the Security Trustee.

5.14.8 To the extent that any Insurance does not restrict the proceeds of insurance being used to prepay the Secured Liabilities, the proceeds of insurance shall:

- (a) if at the relevant time an Event of Default has occurred and is continuing; or
- (b) following a demand pursuant to Clause 2.1 (*Covenant*); or
- (c) at any other time, if the Security Trustee requests or requires it in writing,

be used to prepay the Secured Liabilities, subject always to the terms of the Intercreditor Agreement and the LLP Agreement.

5.15 **Investments**

5.15.1 On the later of:

- (a) the date of this Deed; and
- (b) the date of acquisition of those Investments or Related Rights the Chargor shall:
 - (i) deliver to the Security Trustee all certificates of title and other documents of title or evidence of ownership in respect of its Investments and the Related Rights; and
 - (ii) deliver to the Security Trustee such transfer documents (with the transferee left blank) or any other documents as the Security Trustee may require or otherwise request in respect of those Investments and Related Rights.

5.15.2 Until any steps are taken to enforce the Security created by or under this Deed, the Chargor shall be entitled to receive and retain all dividends, distributions and other moneys receivable in respect of its Investments and Related Rights.

5.15.3 The Chargor shall not exercise its voting and other rights in respect of its Investments and Related Rights in a manner which is likely to be prejudicial to the interests of the Security Trustee.

5.15.4 The Chargor shall make all payments which may become due and payable in respect of any of its Investments and Related Rights. If it fails to make any such payments, the Security Trustee may but shall not be obliged to make such payment on behalf of the Chargor. Any sums so paid by the Security Trustee shall be repayable by the Chargor to the Security Trustee

on demand and pending such repayment shall constitute part of the Secured Liabilities.

- 5.15.5 The Chargor shall remain liable to observe and perform all of the conditions and obligations assumed by it in respect of its Investments and Related Rights and the Security Trustee shall not be required to perform or fulfil any obligation of the Chargor in respect of any Investments or Related Rights.
- 5.15.6 The Chargor shall comply with any notice served on it under the Companies Act 2006 or pursuant to its articles of association, limited liability partnership agreement or any other constitutional document in respect of or in connection with the Investments or Related Rights and will promptly provide to the Security Trustee a copy of that notice.
- 5.15.7 The Chargor shall ensure that none of its Investments in any of its Subsidiaries are converted into uncertificated form without the prior written consent of the Security Trustee.
- 5.15.8 Immediately on conversion of any Investment or Related Rights from a certificated to an uncertificated form, and on the acquisition of any Investments or Related Rights in an uncertificated form, the Chargor shall give such instructions or directions and take such other steps and enter into such documentation as the Security Trustee may require in order to protect or preserve the Security intended to be created by this Deed.

5.16 Restrictions on dealing with Charged Assets

- 5.16.1 The Chargor will not without the prior written consent of the Security Trustee, (whether by a single transaction or a series of related or unrelated transactions and whether at the same time or over a period of time) sell, transfer, lease or otherwise dispose of any of the Charged Assets (other than Floating Charge Assets) or agree to do so.
- 5.16.2 The Chargor will not dispose of any Floating Charge Assets other than in the ordinary course of its business.
- 5.16.3 The Chargor shall not, other than as permitted in the Finance Documents, exercise any of the powers of leasing or of accepting surrenders of leases conferred by sections 99 and 100 of the LPA or by common law or vary any lease or tenancy agreement or reduce any sum payable under the same.

5.17 Power to remedy

- 5.17.1 If the Chargor at any time defaults in complying with any of its obligations contained in this Deed, the Security Trustee shall, without prejudice to any other rights arising as a consequence of such default, be entitled to make good such default and the Chargor irrevocably authorises the Security

Trustee and its employees and agents by way of security to do all such things necessary or desirable in connection with the same.

- 5.17.2 Any moneys so expended by the Security Trustee shall be repayable by the Chargor to the Security Trustee on demand together with interest at the Default Rate from the date of payment by the Security Trustee until such repayment, both before and after judgment.

6. FURTHER ASSURANCE

6.1 Further assurance

The Chargor shall, if and when required by the Security Trustee:

- 6.1.1 execute such further Security and assurances in favour of the Security Trustee and do all such acts and things as the Security Trustee shall from time to time require over or in relation to all or any of the Charged Assets to secure the Secured Liabilities or to create, perfect, protect or maintain the security intended to be created by this Deed over the Charged Assets or any part thereof or to facilitate the realisation of the same; and
- 6.1.2 affix to such items of the Charged Assets or endorse or cause to be endorsed thereon such labels, signs, memoranda or other recognisable identification markings as the Security Trustee shall require referring or drawing attention to the security constituted by or pursuant to this Deed.

6.2 Certain documentary requirements

Such further Security and assurances shall be prepared by or on behalf of the Security Trustee, at the expense of the Chargor, and shall contain an immediate power of sale without notice, a clause excluding section 93 of the LPA, a clause excluding the restrictions contained in section 103 of the LPA and such other clauses for the benefit of the Security Trustee as it may reasonably require.

7. CERTAIN POWERS OF THE SECURITY TRUSTEE

7.1 Powers on enforcement

- 7.1.1 If:
- (a) an Event of Default is continuing; or
 - (b) the Security Trustee or its representative serves demand on the Chargor pursuant to Clause 2.1 (Covenant); or
 - (c) requested by the Chargor,
- the Security Trustee may, without further notice and whether or not a Receiver shall have been appointed, exercise all the powers conferred on

mortgagees by the LPA, as varied or extended by this Deed, and all the powers and discretions conferred by this Deed on a Receiver either expressly or by reference.

7.2 Subsequent Security

7.2.1 If the Security Trustee receives notice of any subsequent Security affecting the Charged Assets or any part thereof, the Security Trustee may open a new account for the Chargor.

7.2.2 If it does not open a new account then, unless the Security Trustee gives express written notice to the contrary to the Chargor, it shall nevertheless be treated as if it had opened a new account at the time when it received such notice and as from that time all payments made by or on behalf of the Chargor to the Security Trustee shall be credited or be treated as having been credited to the new account and shall not operate to reduce the Secured Liabilities outstanding at the time when it received such notice.

7.3 Statutory power of leasing

The Security Trustee shall have the power to lease and make agreements for leases at a premium or otherwise, to accept surrenders of leases and to grant options on such terms as the Security Trustee shall consider expedient and without the need to observe any of the provisions of sections 99 and 100 of the LPA.

7.4 Contingencies

7.4.1 If the Security Trustee enforces the security constituted by this Deed at a time when no amount in respect of the Secured Liabilities is due and payable, the Security Trustee (or the Receiver) may pay the proceeds of any recoveries effected by it into a suspense account.

7.4.2 The Security Trustee may (subject to the payment of any claims having priority to this security) withdraw amounts standing to the credit of such account for application as follows:

- (a) paying all costs, charges and expenses incurred and payments made by the Security Trustee (or the Receiver) in the course of such enforcement;
- (b) paying remuneration to the Receiver as and when the same becomes due and payable; and
- (c) paying amounts due and payable in respect of the Secured Liabilities as and when the same become due and payable.

7.5 Redemption of prior Security

7.5.1 If:

- (a) an Event of Default is continuing; or
- (b) the Security Trustee or its representative serves demand on the Chargor pursuant to Clause 2.1 (Covenant)); or
- (c) requested by the Chargor,

the Security Trustee may:

- (i) redeem any prior Security against any Charged Asset; and/or
- (ii) procure the transfer of that Security to itself; and/or
- (iii) settle and pass the accounts of the prior mortgagee, Security Trustee or encumbrancer and any accounts settled and passed will be conclusive and binding on the Chargor.
- (iv) The Chargor shall pay on demand all principal moneys, interest, costs, charges and expenses in connection with redemption and/or transfer.

7.6 Investments

7.6.1 If:

- (a) an Event of Default is continuing; or
- (b) the Security Trustee or its representative serves demand on the Chargor pursuant to Clause 2.1 (Covenant),

the Chargor shall on request by the Security Trustee:

- (i) deliver to the Security Trustee such pre-stamped stock transfer forms or other transfer documents as the Security Trustee may require to enable the Security Trustee or its nominee or nominees to be registered as the owner of, and to obtain legal and beneficial title to, the Investments and/or Related Rights referred to in such request;
- (ii) provide to the Security Trustee certified copies of all resolutions and authorisations approving the execution of such transfer forms and registration of such transfers as the Security Trustee may reasonably require;
- (iii) procure that each such transfer is promptly registered by the relevant company; and

- (iv) procure that, immediately on their issue, all share certificates or other documents of title in the appropriate form, in respect of the relevant Investments and/or Related Rights, are delivered to the Security Trustee in each case showing the registered holder as the Security Trustee or its nominee or nominees (as applicable).

7.6.2 If:

- (a) an Event of Default is continuing; or
- (b) the Security Trustee or its representative serves demand on the Chargor pursuant to Clause 2.1 (Covenant),
 - (i) the Chargor shall exercise all voting rights in respect of its Investments and Related Rights only in accordance with the instructions of the Security Trustee;
 - (ii) the Security Trustee may complete the transfer documents delivered to it under Clause 7.6.1 in favour of itself or such other person or nominee as it shall select; and
 - (iii) the Security Trustee and its nominee or nominees may sell all or any of the Investments or Related Rights of the Chargor in any manner permitted by law and on such terms as the Security Trustee shall in its absolute discretion determine.

7.6.3 At any time after steps have been taken to enforce the Security created by or under this Deed, if the Chargor receives any dividends, distributions or other moneys in respect of its Investments and Related Rights, the Chargor shall immediately pay such sums received directly to the Security Trustee for application in accordance with Clause 9 (Application of Proceeds) and shall hold all such sums on trust for the Security Trustee pending payment of them to such account as the Security Trustee shall direct.

7.7 Power of sale and right of consolidation

Sections 93 and 103 of the LPA do not apply to the security constituted by this Deed.

8. APPOINTMENT AND POWERS OF RECEIVER

8.1 Appointment

8.1.1 If:

- (a) an Event of Default is continuing; or

(b) the Security Trustee or its representative serves demand on the Chargor pursuant to Clause 2.1 (Covenant); or

(c) requested by the Chargor,

the Security Trustee may by instrument in writing executed as a deed or under the hand of any duly authorised officer appoint a Receiver of the Charged Assets or any part thereof.

8.1.2 Where more than one Receiver is appointed, each joint Receiver shall have power to act severally and independently of any other joint Receivers, except to the extent that the Security Trustee may specify to the contrary in the appointment.

8.1.3 The Security Trustee may (subject to clause 45 of the Insolvency Act 1986) remove any Receiver so appointed and appoint another in his place.

8.1.4 Where the Chargor is an eligible company within the meaning of paragraphs 2 to 4 (inclusive) of Schedule A1 of the Insolvency Act 1986 (a) obtaining a moratorium, or (b) anything done with a view to obtaining a moratorium including any preliminary decision or investigation in terms of paragraph 43 of Schedule A1 of the Insolvency Act 1986 shall not be grounds for appointment of a Receiver.

8.2 Receiver as agent

A Receiver shall be the agent of the Chargor and the Chargor shall be solely responsible for his acts or defaults and for his remuneration.

8.3 Powers of Receiver

A Receiver shall have all the powers conferred from time to time on receivers and administrative receivers by statute and power on behalf and at the expense of the Chargor to do, or omit to do, anything which the Chargor could do, or omit to do, in relation to the Charged Assets or any part thereof including:

8.3.1 take possession of, collect and get in, and give a good discharge for, all or any of the Charged Assets; and/or

8.3.2 exercise in respect of the Charged Assets all voting or other powers or rights available to a registered or other holder in such manner as he may think fit; and/or

8.3.3 carry on, manage, develop, reconstruct, amalgamate or diversify the business of the Chargor or any part thereof; and/or

8.3.4 lease or otherwise acquire and develop or improve properties or other assets without being responsible for loss or damage; and/or

- 8.3.5 raise or borrow any money from or incur any other liability to the Security Trustee or others on such terms, with or without security, as he may think fit and so that any such security may be or include a charge on the whole or any part of the Charged Assets ranking in priority to this security or otherwise; and/or
- 8.3.6 sell, let, surrender or accept surrenders, grant licences or otherwise dispose of or deal with all or any of the Charged Assets for such consideration and generally on such terms and conditions as he may think fit. The consideration for such sale, lease or disposition may be for cash, debentures or other obligations, shares, stock, securities or other valuable consideration and be payable immediately or by instalments spread over such period as he shall think fit and so that any consideration received or receivable shall immediately be and become charged with the payment of all the Secured Liabilities; and/or
- 8.3.7 promote the formation of companies with a view to the same becoming a Subsidiary of the Chargor and purchasing, leasing, licensing or otherwise acquiring interests in all or any of the Charged Assets or otherwise, arrange for such companies to trade or cease to trade and to purchase, lease, license or otherwise acquire all or any of the Charged Assets on such terms and conditions as he may think fit; and/or
- 8.3.8 make any arrangement or compromise or enter into, or cancel, any contracts which he shall think expedient; and/or
- 8.3.9 make and effect such repairs, renewals and improvements to the Charged Assets or any part thereof as he may think fit and maintain, renew, take out or increase insurances; and/or
- 8.3.10 appoint and discharge managers, agents, officers and employees for any of the purposes referred to in this Clause 8.3; and/or
- 8.3.11 make calls conditionally, or unconditionally, on the members of the Chargor in respect of uncalled capital; and/or
- 8.3.12 institute, continue, enforce, defend, settle or discontinue any actions, suits or proceedings in relation to the Charged Assets or any part thereof or submit to arbitration as he may think fit; and/or
- 8.3.13 exercise all voting and other rights attaching to the Investments and stocks, shares and other securities owned by the Chargor and comprised in the Charged Assets in such manner as he may think fit; and/or
- 8.3.14 delegate his powers in accordance with Clause 11 (Delegation); and/or
- 8.3.15 sign any document, execute any deed and do all such other acts and things as may be considered by him to be incidental or conducive to any of

the matters or powers referred to in this Clause 8.3 or to the realisation of the Security created by or pursuant to this Deed and to use the name of the Chargor for all the purposes referred to in this Clause 8.3.

8.4 Remuneration

The Security Trustee may from time to time determine the remuneration of any Receiver and section 109(6) of the LPA shall be varied accordingly.

9. APPLICATION OF PROCEEDS

All moneys received by the Security Trustee or by any Receiver shall be applied, after the discharge of the remuneration and expenses of the Receiver and all liabilities having priority to the Secured Liabilities, in or towards satisfaction of such of the Secured Liabilities and in such order as the Security Trustee in its absolute discretion may from time to time conclusively determine, except that the Security Trustee may credit the same to a suspense account for so long and in such manner as the Security Trustee may from time to time determine and the Receiver may retain the same for such period as he and the Security Trustee consider expedient.

10. PROTECTION OF THIRD PARTIES

10.1 Deemed right to enforce

In favour of any purchaser (as defined in section 205 of the LPA) or person dealing in good faith, the Secured Liabilities shall be deemed to become due, and all rights of enforcement conferred on the Security Trustee by the LPA, as varied and extended by this Deed, shall be deemed to arise, immediately after the execution of this Deed.

10.2 No enquiry required

No purchaser or other person dealing with the Security Trustee or a Receiver shall be bound or concerned to enquire whether any power exercised or purported to be exercised under this Deed has become exercisable or whether any money is due on the security of this Deed or as to the propriety or regularity of any sale by, or other dealing with, the Security Trustee or such Receiver or be concerned with notice to the contrary. Any such sale or dealing shall be deemed to be within the powers conferred by this Deed and to be valid and effectual accordingly.

11. DELEGATION

The Security Trustee and any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed. Any such delegation may be made on the terms (including power to sub-delegate) and subject to any regulations which the Security Trustee or such Receiver (as the case may be) may think fit. Neither the Security Trustee 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.

12. INDEMNITIES

12.1 Enforcement costs

The Chargor shall pay to the Security Trustee on demand the amount of all costs and expenses (including legal fees, stamp duties and any value added tax) incurred by the Security Trustee or any Receiver in connection with the enforcement, preservation or release of any rights under this Deed on a full indemnity basis.

12.2 Indemnity from Charged Assets

The Security Trustee and any Receiver, attorney, agent or other person appointed by the Security Trustee under this Deed and the officers and employees of the Security Trustee and any such Receiver, attorney, agent or other person (each an **Indemnified Party**) shall be entitled to be indemnified out of the Charged Assets in respect of all costs and losses which may be incurred by, or made against, any of them (or by or against any manager, agent, officer or employee for whose liability, act or omission any of them may be answerable) at any time relating to or arising out of or as a consequence of:

- 12.2.1 anything done or omitted in the exercise, or purported exercise, of the powers contained in this Deed; or
- 12.2.2 any breach by the Chargor of any of its obligations under this Deed; or
- 12.2.3 any claim made or asserted against an Indemnified Party under any law which would not have arisen if this Deed had not been executed and which was not caused by the gross negligence or wilful default of the relevant Indemnified Party.

13. POWER OF ATTORNEY

13.1 Power of attorney

The Chargor, by way of security irrevocably appoints each of the Security Trustee and any Receiver and their respective delegates severally to be its attorney in its name and on its behalf:

- 13.1.1 to execute and complete any documents or instruments which the Security Trustee or such Receiver may require for perfecting the title of the Security Trustee to the Charged Assets or for vesting the same in the Security Trustee, its nominee or any purchaser;
- 13.1.2 to sign, execute, seal and deliver, and otherwise perfect, any further Security or document referred to in Clause 6.1 (Further Assurance); and

13.1.3 otherwise generally to sign, seal, execute and deliver all deeds, agreements and other documents and to do all acts and things which may be required for the full exercise of all or any of the powers conferred on the Security Trustee or a Receiver under this Deed or which may be deemed expedient by the Security Trustee or a Receiver in connection with any disposition, realisation or getting in of the Charged Assets or any part thereof or in connection with any other exercise of any power under this Deed.

13.2 Ratification

The Chargor ratifies and confirms and agrees to ratify and confirm all acts and things which any attorney pursuant to Clause 13.1 (Power of Attorney) shall do, or purport to do, in the exercise of his powers under Clause 13.1 (Power of Attorney).

14. MISCELLANEOUS

14.1 Continuing security

This Deed and the obligations of the Chargor under this Deed shall:

14.1.1 secure the ultimate balance of the Secured Liabilities and shall be a continuing Security notwithstanding any settlement of account or other matter whatsoever;

14.1.2 be in addition to, and not prejudice or affect, any present or future Collateral Instrument, Security, right or remedy held by or available to the Security Trustee; and

14.1.3 not merge with, or be in any way prejudiced or affected by the existence of, any such Collateral Instrument, Security, right or remedy.

14.2 Settlements conditional

Any settlement or discharge between the Security Trustee and the Chargor shall be conditional on no Security granted to, or disposition or payment to, the Security Trustee (whether by the Chargor or otherwise) being avoided or reduced as a result of insolvency or any similar event and the Security Trustee shall be entitled to recover the value or amount of any such Security or payment from the Chargor and to enforce this Deed as if such settlement or discharge had not occurred.

14.3 Retention

The Security Trustee will be entitled to retain this Deed for six months after repayment in full of the Secured Liabilities. If within that period any application is made, a petition is presented or a resolution is passed or other steps are taken for the winding up, the administration or the bankruptcy of the Chargor or any other person who is liable in respect of, or has discharged any of, the Secured Liabilities, the Security Trustee may

retain this Deed for so long as it requires in respect of any liability of the Chargor under this Deed.

14.4 Deposits

Without prejudice to any right of set-off the Security Trustee may have under any Finance Document or otherwise, if any time deposit matures on any account the Chargor has with the Security Trustee at any time when:

- 14.4.1 this security has become enforceable; and
- 14.4.2 no amount of the Secured Liabilities is due and payable,
- 14.4.3 that time deposit shall automatically be renewed for any further maturity which the Security Trustee considers appropriate.

14.5 Land Registry

- 14.5.1 In respect of any Property, the title to which is or is to be registered at the Land Registry, the Chargor consents to an application being made to the Chief Land Registrar for registration of a restriction on the register of title of all present and future registered freehold, leasehold or commonhold property of the Chargor (and any unregistered properties subject to compulsory first registration at the date of this Deed) 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 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"

- 14.5.2 The Chargor confirms that so far as any of the Property is unregistered, such Property is not affected by any disclosable overriding interests within the meaning of the Land Registration Act 2002 or the Land Registration Rules 2003.

14.6 No responsibility for loss

Neither the Security Trustee nor any Receiver shall be responsible for any loss occasioned by the timing of the exercise of its powers under this Deed.

14.7 No liability as mortgagee in possession

Neither the Security Trustee nor any Receiver shall be liable to account as mortgagee in possession in respect of all or any of the Charged Assets or be liable for any loss on realisation or for any neglect or default of any nature whatsoever for which a mortgagee in possession may be liable.

14.8 **Other Security**

The Security Trustee will not be obliged to resort to any guarantees, indemnities, Security or other means of payment now or hereafter held by or available to it before enforcing this Deed and no action taken or omitted by the Security Trustee in connection with any such guarantees, indemnities, Security or other means of payment will discharge, reduce, prejudice or affect the liability of the Chargor or the Secured Liabilities nor will the Security Trustee be obliged to account for any money or other property received or recovered in consequence of any enforcement or realisation of any such guarantees, indemnities, Security or other means of payment.

14.9 **Preservation of rights**

Neither the obligations of the Chargor contained in this Deed nor the rights, powers and remedies conferred in respect of the Chargor upon the Security Trustee by the Finance Documents or by law shall be discharged, impaired or otherwise affected by:

- 14.9.1 the winding-up, dissolution, administration or reorganisation of the Chargor or any other person or any change in its status, function, control or ownership;
- 14.9.2 any of the obligations of the Chargor or any other person under the Finance Documents or under any other Security relating to the Finance Documents being or becoming illegal, invalid, unenforceable or ineffective in any respect;
- 14.9.3 any time or other indulgence being granted or agreed to be granted to the Chargor or any other person in respect of its obligations under the Finance Documents or under any such other Security;
- 14.9.4 any amendment to, or any variation, waiver or release of any obligation of the Chargor or any other person under the Finance Documents or under any such other Security;
- 14.9.5 any failure to take, or fully to take, any Security contemplated by the Finance Documents or otherwise agreed to be taken in respect of the Chargor's or any other person's obligations under the Finance Documents;
- 14.9.6 any failure to realise or fully to realise the value of, or any release, discharge, exchange or substitution of, any Security taken or agreed to be taken in respect of the Chargor's or any other person's obligations under the Finance Documents; or
- 14.9.7 any other act, event or omission which, but for this Clause 14.9 might operate to discharge, impair or otherwise affect any of the obligations of the Chargor or any other person or any of the rights, powers or remedies conferred upon the Security Trustee by the Finance Documents or by law.

14.10 Perpetuity period

The perpetuity period for the trusts created by this Deed shall be 80 years from the date of this Deed.

14.11 Regulations

To the extent that any of the Charged Assets constitute "financial collateral" and this Deed and the obligations of the Chargor hereunder constitute a "security financial collateral arrangement" (in each case as defined in, and for the purposes of, the Regulations), the Security Trustee shall have the right to appropriate all or any part of such financial collateral in or towards discharge of the Secured Liabilities. For this purpose, the parties agree that the value of such financial collateral so appropriated shall be:

14.11.1 in the case of cash, the amount standing to the credit of each of the then existing accounts of the Chargor (including accounts in the name of the Security Trustee), together with any accrued but unposted interest, at the time the right of appropriation is exercised; and

14.11.2 in the case of investments, the market price of such investments determined by the Security Trustee by reference to a public index or by such other process as the Security Trustee may select, including independent valuation.

In each case, the parties agree that the method of valuation provided for in this Deed shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

15. 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 provisions under the law of any other jurisdiction will in any way be affected or impaired.

16. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of the Security Trustee, any right or remedy available to it under this Deed or otherwise in respect of the Secured Liabilities shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise of or exercise of any other right or remedy. The rights and remedies provided in this Deed and in any other agreement providing for or entered into in connection with the Secured Liabilities are cumulative and not exclusive of any rights or remedies provided by law.

17. **NOTICES**

17.1 Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made by letter.

17.2 The address (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 Deed is:

17.2.1 in the case of the Chargor:

Address: The address specified at the front of this Agreement

Attention: Managing Director

With a copy to Citizen Lender's registered office address

17.2.2 in the case of the Security Trustee:

Address: The address specified at the front of this Agreement

Attention: the Company Secretary,

or any substitute address, or department or officer as either Party may notify to the other by not less than five Business Days' notice.

17.3 Any such communication will be deemed to be given as follows:

17.3.1 if personally delivered, at the time of delivery;

17.3.2 if by letter, at noon on the Business Day following the day such letter was posted (or in the case of airmail, seven days after the envelope containing the same was delivered into the custody of the postal authorities); and

17.4 In providing such service it shall be sufficient to prove that personal delivery was made or that such letter was properly stamped first class, addressed and delivered to the postal authorities.

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

18. **CALCULATIONS AND CERTIFICATES**

18.1 **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 Security Trustee are prima facie evidence of the matters to which they relate.

18.2 **Certificates and determinations**

Any certification or determination by the Security Trustee under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

18.3 **No set off by the Chargor**

All payments to be made by the Chargor under this Deed shall, subject to the terms of the Finance Documents, be calculated and be made without (and free and clear of any deduction for) set off or counterclaim.

19. **SET OFF**

The Security Trustee may set off any matured obligation due from the Chargor against any matured obligation owed by the Security Trustee to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Security Trustee may convert either obligation at a market rate of exchange in its usual course of business for the purposes of the set off.

20. **CURRENCY**

If a payment is made to the Security Trustee under this Deed in a currency other than the currency in which it is expressed to be payable (Contractual Currency), the Security Trustee may convert that payment into the Contractual Currency at a market rate of exchange in its usual course of business on or around the date of the payment and to the extent that the converted amount of the payment falls short of the amount due and payable the Chargor will remain liable for such shortfall and such shortfall shall form part of the Secured Liabilities.

21. **ASSIGNMENT**

21.1 The Security Trustee may at any time assign or otherwise transfer all or any part of its rights and obligations under this Deed or any Security created by or under it.

21.2 The Security Trustee may disclose to any person:

21.2.1 to (or through) whom the Security Trustee assigns or transfers (or may potentially assign or transfer) all or any of:

(a) the Secured Liabilities; and/or

(b) its rights and obligations under this Deed;

21.2.2 with (or through) whom the Security Trustee enters into (or may potentially enter into) any sub-participation in relation to, or any other transaction under which payments are to be made by reference to, the Secured Liabilities or the Chargor;

21.2.3 to whom, and to the extent that, information is required to be disclosed by any applicable law or regulation; or

21.2.4 who is an Affiliate of the Security Trustee,

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

21.3 The Chargor may not assign any of its rights or transfer any of its rights or obligations under this Deed.

22. **FINANCE DOCUMENT**

This Deed is a Finance Document.

23. **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.

24. **GOVERNING LAW**

24.1 This Deed shall be governed by, and construed in accordance with, English law and all claims and disputes between the Parties arising out of or in connection with this Deed (whether or not contractual in nature) shall be determined in accordance with English law.

24.2 If in any court either Party argues that a court other than the courts of England and Wales has jurisdiction to determine a dispute or difference between the Parties arising out of or in connection with this Deed that issue shall be determined in accordance with English law and each Party irrevocably and unconditionally waives any right it might otherwise have to rely upon the law of the forum or any other law.

This Deed has been entered into at the date stated at the beginning of this Deed.

SCHEDULE 1

Form of notice to the bank or institution operating an Account

[Date]

To: [insert name of account bank]

Attention: "

Dear Sirs

Notice of charge

Account number: " (Account)

Sort code: "

Account holder: [insert name of Chargor]

We give you notice that we have charged by first fixed charge to [] (Security Trustee) all our right, title and interest in and to the moneys from time to time standing to the credit of the Account.

We hereby irrevocably and unconditionally authorise and instruct you:

1 to hold all moneys from time to time standing to the credit of the Account to the order of the Security Trustee and accordingly to pay all or any part of those moneys to the Security Trustee (or as it may direct) promptly following receipt of written instructions from the Security Trustee to that effect; and

2 to disclose to the Security Trustee such information relating to us and the Account as the Security Trustee may from time to time request you to provide.

By countersigning this notice, the Security Trustee authorises you to permit us to withdraw and otherwise deal with funds standing to the credit of the Account until:

(a) you receive a notice in writing to the contrary from the Security Trustee;

(b) a petition is presented for a winding up order in respect of us or an application is made for an administration order in respect of us,

(whichever occurs first).

Within five days of receipt of this notice, please sign and return the acknowledgement attached to one enclosed copy of this notice to the Security Trustee and the other copy to us.

This notice shall be governed by and construed in accordance with English law.

Yours faithfully

For and on behalf of

[insert name of Chargor]

Countersigned by the Security Trustee

For and on behalf of

[]

SCHEDULE 2

Form of acknowledgement from bank or institution operating an Account

[Date]

To: []

[Address]

Attention: "

To: [insert name of Chargor] (Chargor)

[Address]

Attention: "

Dear Sirs

Acknowledgement of notice

We acknowledge receipt of the notice of charge (Notice) of which the above is a duplicate. Terms defined in the Notice have the same meaning when used in this acknowledgment.

We confirm that:

- (a) we shall act in accordance with the Notice;
- (b) as at the date of this acknowledgement we have not received any notice of assignment or charge or other security over the Chargor's interest in the Account in favour of any other person; and
- (c) we will not exercise any right of combination of accounts, set-off or lien over any moneys standing to the credit of the Account.

This acknowledgement shall be governed by and construed in accordance with English law.

Yours faithfully

For and on behalf of

[insert name of account bank]

EXECUTED as a DEED by
LEA CASTLE JV LLP
acting by

Authorised signatory on behalf of Member

Witness:
Signature

Address

Occupation