

MR01

Particulars of a charge

13/562880
IRIS Laserform

A fee is payable with this form.
Please see 'How to pay' on the
last page.

You can use the WebFiling service to file this form online.
Please go to www.companieshouse.gov.uk

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument.

☐ **What this form is NOT for**
You may not use this form
to register a charge where the
instrument is not a charge.

TUESDAY



SCT 10/12/2013 #84
COMPANIES HOUSE

This form **must be delivered to the Registrar for registration within 21 days** beginning with the day after the date of creation of the charge. If delivered outside of the 21 days it will be rejected unless it is accompanied by a court order extending the time for delivery.

You **must** enclose a certified copy of the instrument with this form. This will be scanned and placed on the public record.

1 Company details

Company number S C 1 7 6 7 0 3

Company name in full KENT AIRPORT LIMITED (the "Company")

For official use

2

→ **Filling in this form**
Please complete in typescript or in
bold black capitals.

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 2 9 1 1 2 0 1 3

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge.

Name Manston Skyport Limited (registered number SC459586)
(the "Lender")

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below.

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge.

MR01

Particulars of a charge

4

Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security.

Continuation page

Please use a continuation page if you need to enter more details.

Description

Fixed charges, assignments and a floating charge over the whole of the property, undertaking and assets of the Company (excluding the Excluded Assets), as more particularly described in clause 2 of the charge.

"Excluded Assets" means any leasehold property held by the Company under a lease which precludes either absolutely or conditionally (including requiring the consent of any third party) the Company from creating any charge over its leasehold interest in that property until the relevant condition or waiver has been satisfied or obtained.

5

Fixed charge or fixed security

Does the instrument include a fixed charge or fixed security over any tangible or intangible (or in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box.

☒ Yes

☐ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box.

☒ Yes Continue

☐ No Go to Section 7

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the chargor from creating any further security that will rank equally with or ahead of the charge? Please tick the appropriate box.

☒ Yes

☐ No

MR01

Particulars of a charge

8

Trustee statement ①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge.

☐

① This statement may be filed after the registration of the charge (use form MR06).

9

Signature

Please sign the form here.

Signature

Signature

X

for and on behalf of Burness Paul LLP

X

This form must be signed by a person with an interest in the charge.

MR01

Particulars of a charge



Presenter information

We will send the certificate to the address entered below. All details given here will be available on the public record. You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address.

Contact name **Hannah Nijam**

Company name **BURNES PAULL LLP**

Address **50 LOTHIAN ROAD**

FESTIVAL SQUARE

Post town **EDINBURGH**

County/Region

Postcode **E H 3 9 W J**

Country

DX **ED73 EDINBURGH**

Telephone **0131 473 6000**



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have included a certified copy of the instrument with this form.
- ☐ You have entered the date on which the charge was created.
- ☐ You have shown the names of persons entitled to the charge.
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8.
- ☐ You have given a description in Section 4, if appropriate.
- ☐ You have signed the form.
- ☐ You have enclosed the correct fee.
- ☐ Please do not send the original instrument; it must be a certified copy.



Important information

Please note that all information on this form will appear on the public record.



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'.



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below:

For companies registered in England and Wales:

The Registrar of Companies, Companies House, Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

For companies registered in Scotland:

The Registrar of Companies, Companies House, Fourth floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

For companies registered in Northern Ireland:

The Registrar of Companies, Companies House, Second Floor, The Linenhall, 32-38 Linenhall Street, Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 176703

Charge code: SC17 6703 0002

The Registrar of Companies for Scotland hereby certifies that a charge dated 29th November 2013 and created by KENT AIRPORT LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 10th December 2013.

Given at Companies House, Edinburgh on 12th December 2013



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

DATED: 29 November 2013

KENT AIRPORT LIMITED
as Chargor

and

MANSTON SKYPORT LIMITED
as Lender

DEBENTURE

Certified a true copy

Edinburgh 9/12/13


for and on behalf of Burness Paull LLP

INDEX

Clause No.	Heading	Page No.
1	INTERPRETATION	1
2	CREATION OF SECURITY	3
3	EXCLUDED ASSETS	7
4	REPRESENTATIONS AND WARRANTIES - GENERAL	7
5	RESTRICTIONS ON DEALINGS	8
6	LAND	8
7	SECURITIES	12
8	ACCOUNTS	14
9	RELEVANT CONTRACTS	15
10	WHEN SECURITY BECOMES ENFORCEABLE	15
11	SET-OFF	16
12	ENFORCEMENT OF SECURITY	16
13	RECEIVER	18
14	POWERS OF RECEIVER	19
15	APPLICATION OF ENFORCEMENT PROCEEDS	22
16	EXPENSES AND INDEMNITY	22
17	DELEGATION	23
18	FURTHER ASSURANCES	23
19	POWER OF ATTORNEY	24
20	PRESERVATION OF SECURITY	24
21	MISCELLANEOUS	26
22	GOVERNING LAW	27
	SCHEDULE 1	28
	SCHEDULE 2	29
	SCHEDULE 3	33
	SCHEDULE 4	36
	SCHEDULE 5	40

THIS DEED is dated 29 November 2013 and is made between

- (1) **KENT AIRPORT LIMITED**, a company incorporated under the Companies Acts with registered number SC176703 and having its registered office at Glasgow Prestwick Airport, Aviation House, Prestwick, Ayrshire KA9 2PL (the "**Chargor**"); and
- (2) **MANSTON SKYPORT LIMITED**, a company incorporated under the Companies Acts with registered number SC459586 and having its registered office at 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ (the "**Lender**")

CONSIDERING THAT:

- (i) the Lender has agreed to make loans available to the Chargor under the Loan Note Instrument (as defined below);
- (ii) one of the conditions precedent to the availability of the loans referred to in paragraph (i) above is that the Chargor grants to the Lender this security agreement;
- (iii) it is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED as follows:

1 **INTERPRETATION**

1.1 **Definitions**

In this Deed:

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

"**Event of Default**" means (i) any breach by the Chargor of any of the provisions of this Debenture or (ii) any failure by the Chargor to make payment of any of the Secured Liabilities when demanded or (iii) a petition being presented for the making of an administration order in respect of any Chargor, an application being made or a resolution being passed for the winding up of the Chargor or a receiver being appointed in respect of any of the property, undertakings or assets of the Chargor or (iv) any other event designated as an event of default or any similar expression or which otherwise entitles the Lender to demand payment from the Chargor in terms of any loan or other documentation in force from time to time;

"**Finance Documents**" means the Loan Note Documents, the Guarantee, this Deed and any other documents designated as a Finance Document by the Lender and the Chargor;

“Guarantee” means the guarantee pursuant to which the Chargor has guaranteed the debts owed by Kent Facilities Limited to the Lender dated on or around the date of this Deed between the Chargor, Kent Facilities Limited and the Lender;

“Loan Note Instrument” means the loan note instrument pursuant to which the Loan Notes are to be constituted dated on or around the date of this Deed between the Chargor and the Lender;

“Loan Notes” means any loan notes issued by the Chargor under the terms of the Loan Note Instrument;

“Loan Note Documents” means the Loan Note Instrument and the Loan Notes and any other documents entered into pursuant to any of them;

“Party” means a party to this Deed;

“Receiver” means an administrative receiver, receiver and manager or a receiver, in each case, appointed under this Deed;

“Secured Liabilities” means all present and future obligations and liabilities of the Chargor to the Lender, whether actual, contingent, sole, joint and/or several or otherwise, including, without prejudice to the foregoing generality, all obligations to indemnify the Lender;

“Secured Assets” means all assets of the Chargor the subject of any security created by this Deed; and

“Security Period” means the period beginning on the date of this Deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.

1.2 Construction

1.2.1 Capitalised terms defined in the Loan Note Instrument have, unless expressly defined in this Deed, the same meaning in this Deed.

1.2.2 A Finance Document or other document includes (without prejudice to any prohibition on amendments) all amendments however fundamental to that Finance Document or other document, including any amendment providing for any increase in the amount of a facility or any additional facility.

1.2.3 The term **“Security”** means any security created by this Deed.

1.2.4 A reference to any asset, unless the context otherwise requires, includes any present and future asset.

- 1.2.5 Any covenant of the Chargor under this Deed (other than a payment obligation) remains in force during the Security Period.
- 1.2.6 The terms of the other Finance Documents and of any side letters between any Parties in relation to any Finance Document are incorporated in this Deed to the extent required to ensure that any purported disposition of any freehold or leasehold property contained in this Deed is a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- 1.2.7 If the Lender considers that an amount paid to it is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- 1.2.8 Unless the context otherwise requires, a reference to a Secured Asset includes the proceeds of sale of that Secured Asset.
- 1.2.9 In this Deed, the singular includes the plural and vice versa. Clause headings are for ease of reference only and reference to a Clause or Schedule is to be construed as a reference to a clause of or schedule to this Deed.
- 1.2.10 Any appointment of a Receiver under Clause 10 (Enforcement of Security) may be made by any successor in title or permitted assign or permitted transferee of the Lender and the Chargor by its execution of this Deed irrevocably appoints such successor or assign or transferee to its attorney in accordance with the appointment stated in Clause 17.

2 CREATION OF SECURITY

2.1 General

All the security created under this Deed:

- 2.1.1 is created in favour of the Lender;
- 2.1.2 is created over present and future assets of the Chargor;
- 2.1.3 is security for the payment and satisfaction of all the Secured Liabilities;
and
- 2.1.4 is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

2.2 Land

2.2.1 The Chargor charges:

- (a) by way of a first legal mortgage all estates or interests in any freehold or leasehold property now owned by it; this includes the real property (if any) specified in Schedule 1 (Real Property); and
- (b) (to the extent that they are not either the subject of a mortgage under Clause 2.2.1(a) above or freehold, feuhold or leasehold property in Scotland) by way of first fixed charge all estates or interests in any freehold or leasehold property now or subsequently owned by it.

2.2.2 A reference in this Clause 2.2 to a mortgage or charge of any freehold or leasehold property includes:

- (a) all buildings, fixtures, fittings and fixed plant and machinery on that property; and
- (b) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

2.3 Securities

2.3.1 The Chargor charges by way of a first fixed charge its interest in all shares, stocks, debentures, bonds or other securities and investments owned by it or held by any nominee on its behalf.

2.3.2 A reference in this Clause 2.3 to a mortgage or charge of any stock, share, debenture, bond or other security includes:

- (a) any dividend or interest paid or payable in relation to it; and
- (b) any right, money or property accruing or offered at any time in relation to it by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise.

2.4 Plant and Machinery

The Chargor charges by way of a first fixed charge all plant and machinery owned by the Chargor and its interest in any plant or machinery in its possession.

2.5 Credit Balances

The Chargor charges by way of a first fixed charge all of its rights in respect of any amount standing to the credit of any account (including any account contemplated

by the Loan Note Instrument or this Deed) it has with any person and the debt represented by it.

2.6 Book Debts etc.

The Chargor charges by way of a first fixed charge:

- 2.6.1 all of its book and other debts;
- 2.6.2 all other moneys due and owing to it; and
- 2.6.3 the benefit of all rights, securities or guarantees of any nature enjoyed or held by it in relation to any item under Clause 2.6.1 or 2.6.3.

2.7 Insurances

The Chargor assigns absolutely, subject to a proviso for re-assignment on redemption:

- 2.7.1 all of its rights under any contract of insurance taken out by it or on its behalf or in which it has an interest; and
- 2.7.2 all monies payable and all monies paid to it under or in respect of all such contracts of insurance.

2.8 Other Contracts

The Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights:

- 2.8.1 under each Lease Document;
- 2.8.2 in respect of all Rental Income;
- 2.8.3 under any guarantee of Rental Income contained in or relating to any Lease Document;
- 2.8.4 under each appointment of a Managing Agent;
- 2.8.5 under any agreement relating to the purchase of a Property by the Chargor; and
- 2.8.6 under any other agreement to which it is a party except to the extent that it is subject to any fixed security created under any other term of this Clause 1.2.10.

2.9 Miscellaneous

The Chargor charges by way of first fixed charge:

- 2.9.1 any beneficial interest, claim or entitlement it has in any pension fund;
- 2.9.2 its goodwill;
- 2.9.3 the benefit of any authorisation (statutory or otherwise) held in connection with its use of any Secured Asset;
- 2.9.4 the right to recover and receive compensation which may be payable to it in respect of any authorisation referred to in Clause 2.9.3; and
- 2.9.5 its uncalled capital.

2.10 Floating Charge

- 2.10.1 The Chargor charges by way of a first floating charge all its assets not otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, charge or assignment under this Clause 2.10.1 .
- 2.10.2 Except as provided below, the Lender may by notice to the Chargor convert the floating charge created by this Clause 2.10 into a fixed charge as regards any of the Chargor's assets specified in that notice, if:
 - (a) an Event of Default is outstanding; or
 - (b) the Lender considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.
- 2.10.3 The floating charge created by this Clause 2.10 may not be converted into a fixed charge solely by reason of:
 - (a) the obtaining of a moratorium; or
 - (b) anything done with a view to obtaining a moratorium,under section 1A of the Insolvency Act 1986.
- 2.10.4 The floating charge created by this Clause 2.10 will automatically convert into a fixed charge over all of the Chargor's assets if an administrator is appointed or the Lender receives notice of an intention to appoint an administrator.

2.10.5 The floating charge created by this Clause 2.10 is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

3 EXCLUDED ASSETS

3.1 There shall be excluded from the Security created by this Deed, and from the operation of Clause 5 (*Restrictions on Dealings*), any leasehold property held by the Chargor under a lease which precludes either absolutely or conditionally (including requiring the consent of any third party) the Chargor from creating any charge over its leasehold interest in that property (the "**Excluded Assets**") until the relevant condition or waiver has been satisfied or obtained.

3.2 For each Excluded Asset, the Chargor undertakes to:

3.2.1 within 10 Business Days of a written request by the Lender, apply to the reversioner of the relevant lease for either (i) consent to create a mortgage or charge over its interest in such Excluded Assets or (ii) a waiver of any prohibition or conditions under such lease which precludes either absolutely or conditionally it from creating any mortgage or charge over its interest in such Excluded Assets;

3.2.2 use all reasonable endeavours (but for the avoidance of doubt not requiring the payment of fees, costs and expenses in excess of fees, costs and expenses payable in accordance with usual market practice for applications of such nature) for a period of six months following the date of such application to obtain that consent or waiver of prohibition as soon as possible following such application;

3.2.3 upon reasonable request, keep the Lender informed of its progress in obtaining such consent or waiver; and

3.2.4 forthwith upon receipt of such consent or waiver, provide the Lender with a copy.

3.3 Immediately upon receipt of the relevant waiver or consent, the relevant formerly Excluded Assets shall stand charged to the Lender under Clause 2 (*Creation of Security*) as the case may be. If required by the Lender at any time following receipt of that waiver or consent, the Chargor will execute a further valid fixed charge by way of legal mortgage.

4 REPRESENTATIONS AND WARRANTIES - GENERAL

4.1 Nature of Security

The Chargor represents and warrants to the Lender that this Deed creates those Security interests it purports to create and is not liable to be avoided or otherwise set aside on the liquidation or administration of the Chargor or otherwise.

4.2 Times for Making Representations and Warranties

4.2.1 The representations and warranties set out in this Deed (including in this Clause 4.2) are made on the date of this Deed.

4.2.2 Unless a representation and warranty is expressed to be given at a specific date, each representation and warranty under this Deed is deemed to be repeated by the Chargor on the date of each Request, on each Utilisation Date and on the first day of each Interest Period.

4.2.3 When a representation and warranty is repeated, it is applied to the circumstances existing at the time of repetition.

5 RESTRICTIONS ON DEALINGS

5.1 Security

Except as expressly allowed in the Loan Note Instrument, the Chargor must not create or permit to subsist any Security interest on any Secured Asset (except for this Security).

5.2 Disposals

Except as expressly allowed in the Loan Note Instrument, the Chargor must not sell, transfer, licence, lease or otherwise dispose of any Secured Asset, except for the disposal in the ordinary course of trade of any Secured Asset subject to the floating charge created under this Deed.

6 LAND

6.1 General

In this Clause 6:

“Fixtures” means all fixtures and fittings and fixed plant and machinery on the Mortgaged Property.

“Insured Property” Assets means the Premises and all the Chargor’s other assets of an insurable nature in the Premises.

“Mortgaged Property” means all freehold or leasehold property included in the definition of Secured Assets.

"Premises" means all buildings and erections included in the definition of Secured Assets.

6.2 Repair

The Chargor must keep:

- 6.2.1 the Premises in good and substantial repair and condition and adequately and properly painted and decorated; and
- 6.2.2 the Fixtures and all plant, machinery, implements and other effects owned by it and which are in or on the Premises or elsewhere in a good state of repair and in good working order and condition.

6.3 Compliance with Leases and Covenants

The Chargor must:

- 6.3.1 perform all the terms on its part contained in any lease or agreement for lease comprised in the Mortgaged Property;
- 6.3.2 not do or allow to be done any act as a result of which any lease or agreement for lease comprised in the Mortgaged Property may become liable to forfeiture or otherwise be terminated; and
- 6.3.3 duly and punctually comply with, and indemnify the Lender in respect of any breach of, any covenant or stipulation (restrictive or otherwise) affecting the Mortgaged Property.

6.4 Notices to Tenants

The Chargor must:

- 6.4.1 immediately serve a notice of assignment, substantially in the form of Part 1 of Schedule 2 (Forms of Letter for Occupational Tenants), on each tenant of the Mortgaged Property; and
- 6.4.2 use reasonable endeavours to ensure that each such tenant acknowledges that notice, substantially in the form of Part 2 of Schedule 2 (Forms of Letter for Occupational Tenants).

6.5 Notices to Landlords

The Chargor must:

- 6.5.1 immediately serve a notice of assignment, substantially in the form of Part 1 of Schedule 3 (Forms of Letter for Landlords), on each landlord of the Mortgaged Property; and
- 6.5.2 use reasonable endeavours to ensure that each such tenant acknowledges that notice, substantially in the form of Part 3 of Schedule 3 (Forms of Letter for Landlords).

6.6 Acquisitions

If the Chargor acquires any freehold or leasehold property after the date of this Deed it must:

- 6.6.1 notify the Lender immediately;
- 6.6.2 immediately on request by the Lender and at the cost of the Chargor, execute and deliver to the Lender a legal mortgage in favour of the Lender of that property in any form which the Lender may require;
- 6.6.3 if the title to that freehold or leasehold property is registered at H.M. Land Registry or required to be so registered, give H.M. Land Registry written notice of this Security; and
- 6.6.4 if applicable, ensure that this Security is correctly noted in the Register of Title against that title at H.M. Land Registry.

6.7 Compliance with Applicable Laws and Regulations

The Chargor must perform all its obligations under any law or regulation in any way related to or affecting the Mortgaged Property.

6.8 Notices

The Chargor must, within 14 days after the receipt by the Chargor of any application, requirement, order or notice served or given by any public or local or any other authority with respect to the Mortgaged Property (or any part of it):

- 6.8.1 deliver a copy to the Lender; and
- 6.8.2 inform the Lender of the steps taken or proposed to be taken to comply with the relevant requirement.

6.9 Development

- 6.9.1 In this Clause 6, Planning Acts means the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990,

the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990 and the Planning and Compensation Act 1991, and any subordinate legislation made (before or after this Deed) under those statutes and any other statute governing or controlling the use or development of land and property.

6.9.2 The Chargor must not:

- (a) make or allow to be made any application for planning permission in respect of any part of the Mortgaged Property; or
- (b) carry out or allow to be carried out on any part of the Mortgaged Property any development (within the meaning of the Planning Acts and being development for which the permission of the local planning authority is required).

6.10 H.M. Land Registry

The Chargor consents to a restriction in the following terms being entered into on the Register of Title relating to any Mortgaged Property registered at H.M. Land Registry:

“No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated • in favour of • referred to in the charges register or their conveyancer. (Standard Form P)”.

6.11 Deposit of Title Deeds

The Chargor must deposit with the Lender all deeds and documents of title relating to the Mortgaged Property and all local land charges, land charges and Land Registry search certificates and similar documents received by or on behalf of the Chargor.

6.12 Investigation of Title

The Chargor must grant the Lender or its lawyers on request all facilities within the power of the Chargor to enable the Lender or its lawyers (at the expense of the Chargor) to:

- 6.12.1 carry out investigations of title to the Mortgaged Property; and
- 6.12.2 make such enquiries in relation to any part of the Mortgaged Property as a prudent mortgagee might carry out.

6.13 Power to Remedy

If the Chargor fails to perform any term affecting the Mortgaged Property, the Chargor must allow the Lender or its agents and contractors:

- 6.13.1 to enter any part of the Mortgaged Property;
- 6.13.2 to comply with or object to any notice served on the Chargor in respect of the Mortgaged Property; and
- 6.13.3 to take any action as the Lender may reasonably consider necessary or desirable to prevent or remedy any breach of any such term or to comply with or object to any such notice.

The Chargor must immediately on request by the Lender pay the costs and expenses of the Lender or its agents and contractors incurred in connection with any action taken by it under this Clause 6.13.

7 SECURITIES

7.1 General

In this Clause 7:

“Investments” means:

- (a) all shares, stocks, debentures, bonds or other securities and investments included in the definition of Secured Assets in Clause 1.1 (Definitions);
- (b) any dividend or interest paid or payable in relation to any of the above; and
- (c) any right, money or property accruing or offered at any time in relation to any of the above by way of redemption, substitution, exchange, bonus or preference under option rights or otherwise.

7.2 Investments

The Chargor represents to the Lender that:

- 7.2.1 the Investments are fully paid; and
- 7.2.2 it is the sole legal and beneficial owner of the Investments.

7.3 Deposit

The Chargor must:

- 7.3.1 (a) immediately deposit with the Lender, or as the Lender may direct, all certificates and other documents of title or evidence of ownership in relation to any Investment; and
- 7.3.2 (b) promptly execute and deliver to the Lender all share transfers and other documents which may be requested by the Lender in order to enable the Lender or its nominees to be registered as the owner or otherwise obtain a legal title to any Investment.

7.4 Changes to Rights

The Chargor must not take or allow the taking of any action on its behalf which may result in the rights attaching to any of the Investments being altered or further Investments being issued.

7.5 Calls

- 7.5.1 The Chargor must pay all calls or other payments due and payable in respect of any Investment.
- 7.5.2 If the Chargor fails to do so, the Lender may pay the calls or other payments in respect of any Investment on behalf of the Chargor. The Chargor must immediately on request reimburse the Lender for any payment made by the Lender under this Clause 7.5.2.

7.6 Other Obligations in respect of Investments

- 7.6.1 The Chargor must promptly copy to the Lender and comply with all requests for information which is within its knowledge and which are made under any law or regulation or by any listing or other authority or any similar provision contained in any articles of association or other constitutional document relating to any of the Investments. If it fails to do so, the Lender may elect to provide such information as it may have on behalf of the Chargor.
- 7.6.2 The Chargor must comply with all other conditions and obligations assumed by it in respect of any Investment.
- 7.6.3 The Lender is not obliged to:
 - (a) perform any obligation of the Chargor;
 - (b) make any payment;
 - (c) make any enquiry as to the nature or sufficiency of any payment received by it or the Chargor; or

- (d) present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under this Deed,

in respect of any Investment.

7.7 Voting Rights

7.7.1 Before this Security becomes enforceable:

- (a) the voting rights, powers and other rights in respect of the Investments must (if exercisable by the Lender) be exercised in any manner which the Chargor may direct in writing; and
- (b) all dividends or other income paid or payable in relation to any Investments must be paid to an account with a bank approved by the Lender.

7.7.2 The Chargor must indemnify the Lender against any loss or liability incurred by the Lender as a consequence of the Lender acting in respect of the Investments as permitted by this Deed on the direction of the Chargor.

7.7.3 After this Security has become enforceable, the Lender may exercise (in the name of the Chargor and without any further consent or authority on the part of the Chargor) any voting rights and any powers or rights which may be exercised by the legal or beneficial owner of any Investment, any person who is the holder of any Investment or otherwise.

8 ACCOUNTS

8.1 The Chargor shall deliver to the Lender on the date of this Deed (and, if any change occurs thereafter or on the date of such changes), details of each account maintained by it with any bank or financial institution.

8.2 Book Debts and Receipts

8.2.1 The Chargor must get in and realise its:

- (a) rent and other amounts due from tenants of the Mortgaged Property; and
- (b) book and other debts and other moneys due and owing to it,

in the ordinary course of its business and hold the proceeds of the getting in and realisation in an account with a bank approved by the Lender on trust for the Lender.

8.3 Notices of Charge

The Chargor must:

- 8.3.1 immediately on request by the Lender serve a notice of assignment, substantially in the form of Part 1 of Schedule 4 (Forms of Letter for Bank), on each Bank which it holds an account; and
- 8.3.2 use reasonable endeavours to ensure that each such bank acknowledges the notice, substantially in the form of Part 2 of Schedule 4 (Forms of Letter for Bank).

9 RELEVANT CONTRACTS

9.1 General

In this Clause 9, “**Relevant Contract**” means any agreement to which the Chargor is a party and which the Lender has designated in writing as a Relevant Contract.

9.2 Notices of Assignment

The Chargor must, at the request of the Lender:

- 9.2.1 immediately serve a notice of assignment, substantially in the form of Part 1 of Schedule 5 (Forms of Letter for Relevant Contracts), on each counterparty to a Relevant Contract; and
- 9.2.2 use reasonable endeavours to ensure that each such party acknowledges that notice, substantially in the form of Part 2 of Schedule 5 (Forms of Letter for Relevant Contracts).

10 WHEN SECURITY BECOMES ENFORCEABLE

10.1 Event of Default

This Security will become immediately enforceable if an Event of Default occurs.

10.2 Discretion

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 or as the Lender directs.

10.3 Statutory Powers

The power of sale and other powers conferred by Section 101 of the Act, as amended by this Deed, will be immediately exercisable at any time after this Security has become enforceable.

11 SET-OFF

The Lender may set off any matured obligation due from the Chargor under the Finance Documents against any matured obligation owed by the Lender to the Chargor regardless of the place of payment or currency of either obligation.

12 ENFORCEMENT OF SECURITY

12.1 General

12.1.1 For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.

12.1.2 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.

12.1.3 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 Section 99 or 100 of the Act.

12.2 No Liability as Mortgagee in Possession

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

12.3 Privileges

Each Receiver and the Lender is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act, except that Section 103 of the Act does not apply.

12.4 Protection of Third Parties

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

- 12.4.1 whether the Secured Liabilities have become payable;
- 12.4.2 whether any power which the Lender or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
- 12.4.3 whether any money remains due under the Finance Documents; or
- 12.4.4 how any money paid to the Lender or to that Receiver is to be applied.

12.5 Redemption of Prior Mortgages

- 12.5.1 At any time after this Security has become enforceable, the Lender may:
 - (a) redeem any prior Security interest against any Secured Asset; and/or
 - (b) procure the transfer of that Security interest to itself; and/or
 - (c) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the Chargor.
- 12.5.2 The Chargor must pay to the Lender, immediately on demand, the costs and expenses incurred by the Lender in connection with any such redemption and/or transfer, including the payment of any principal or interest.

12.6 Contingencies

If this Security is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, the Lender (or the Receiver) may pay the proceeds of any recoveries effected by it into a suspense account or other account selected by it.

12.7 Right of Appropriation

To the extent that any of the Secured Assets constitutes "financial collateral" and this Security Agreement 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 Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226) (the "**Regulations**") the Lender shall have the right to appropriate all or any part of such financial collateral in or towards discharge of the Secured Liabilities and may exercise such right to appropriate upon giving written notice to the Chargor. For this purpose, the parties agree that the value of such financial collateral so appropriated shall be (a) in the case of cash, the amount standing to the credit of each of the relevant accounts, together with any accrued but unposted interest, at the time the right of appropriation is exercised; and (b) in the case of any

shares, stocks, debentures, bonds or other securities or investments, the market price of such shares, stocks, debentures, bonds or other securities or investments determined by the Lender by reference to a public index or by such other process as the Lender may select, including independent valuation. In each case, the parties agree that the method of valuation provided for in this Security Agreement shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

13 RECEIVER

13.1 Appointment of Receiver

13.1.1 Except as provided below, the Lender may appoint any one or more persons to be a Receiver of all or any part of the Secured Assets if:

- (a) this Security has become enforceable; or
- (b) the Chargor so requests the Lender in writing at any time.

13.1.2 Any appointment under Clause 13.1 may be by deed, under seal or in writing under its hand.

13.1.3 Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under Section 109(1) of the Act) does not apply to this Deed.

13.1.4 The Lender is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under Section 1A of the Insolvency Act 1986.

13.1.5 The Lender may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Secured Assets if the Lender is prohibited from so doing by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

13.2 Removal

The Lender may by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

13.3 Remuneration

The Lender may fix the remuneration of any Receiver appointed by it and the maximum rate specified in Section 109(6) of the Act will not apply.

13.4 Agent of the Chargor

13.4.1 A Receiver will be deemed to be the agent of the Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. The Chargor alone is responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver and for liabilities incurred by a Receiver.

13.4.2 No Lender will incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

13.5 Exercise of Receiver Powers by the Lender

To the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after this Security becomes enforceable be exercised by the Lender in relation to any Secured Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.

14 POWERS OF RECEIVER

14.1 General

14.1.1 A Receiver has all of the rights, powers and discretions set out below in this Clause 14 in addition to those conferred on it by any law, this includes:

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

14.1.2 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

14.2 Possession

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

14.3 Carry on Business

A Receiver may carry on any business of the Chargor in any manner he thinks fit.

14.4 Employees

14.4.1 A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he thinks fit.

14.4.2 A Receiver may discharge any person appointed by the Chargor.

14.5 Borrow Money

A Receiver may raise and borrow money either unsecured or on the security of any Secured Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which he thinks fit.

14.6 Sale of Assets

14.6.1 A Receiver may sell, exchange, convert into money and realise any Secured Asset by public auction or private contract and generally in any manner and on any terms which he thinks fit.

14.6.2 The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which he thinks fit.

14.6.3 Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the Chargor.

14.7 Leases

A Receiver may let any Secured Asset for any term and at any rent (with or without a premium) which he thinks fit and may accept a surrender of any lease or tenancy of any Secured Asset on any terms which he thinks fit (including the payment of money to a lessee or tenant on a surrender).

14.8 Compromise

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of the Chargor or relating in any way to any Secured Asset.

14.9 Legal Actions

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Secured Asset which he thinks fit.

14.10 Receipts

A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Secured Asset.

14.11 Subsidiaries

A Receiver may form a Subsidiary of the Chargor and transfer to that Subsidiary any Secured Asset.

14.12 Delegation

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

14.13 Lending

A Receiver may lend money or advance credit to any customer of the Chargor.

14.14 Protection of Assets

A Receiver may:

14.14.1 effect any repair or insurance and do any other act which the Chargor might do in the ordinary conduct of its business to protect or improve any Secured Asset;

14.14.2 commence and/or complete any building operation; and

14.14.3 apply for and maintain any planning permission, building regulation approval or any other authorisation,

in each case as he thinks fit.

14.15 Other Powers

A Receiver may:

- 14.15.1 do all other acts and things which he may consider desirable or necessary for realising any Secured Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law;
- 14.15.2 exercise in relation to any Secured Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Secured Asset; and
- 14.15.3 use the name of the Chargor for any of the above purposes.

15 APPLICATION OF ENFORCEMENT PROCEEDS

15.1 All monies received by the Lender or any Receiver under or by virtue of this Deed following enforcement of the security hereby granted or of any security interest constituted pursuant hereto shall be applied, subject to the claims of any creditors ranking in priority to or *pari passu* with the claims of the Lender under this Deed, in the following order:

- 15.1.1 firstly, in or towards payment of all costs, charges and expenses of or incidental to the appointment of the Receiver and the exercise of all or any of his powers, including his remuneration and all outgoings paid by and liabilities incurred by him as a result of such exercise;
- 15.1.2 secondly, in or towards satisfaction of the Secured Liabilities in such order as the Lender shall in its absolute discretion decide; and
- 15.1.3 thirdly, any surplus shall be paid to the Chargor or any other person entitled to it.

15.2 Nothing contained in this Deed shall limit the right of the Receiver or the Lender (and the Chargor acknowledges that the Receiver and the Lender are so entitled) if and for so long as the Receiver or the Lender, in their discretion, shall consider it appropriate, to place all or any monies arising from the enforcement of the security interest hereby granted or any security created pursuant to this Deed into a suspense account, without any obligation to apply the same or any part thereof in or towards the discharge of any of the Secured Liabilities.

16 EXPENSES AND INDEMNITY

The Chargor must:

16.1.1 immediately on demand pay all costs and expenses (including legal fees) incurred in connection with this Deed by the Lender, Receiver, attorney, manager, agent or other person appointed by the Lender under this Deed including any arising from any actual or alleged breach by any person of any law or regulation, whether relating to the environment or otherwise; and

16.1.2 keep each of them indemnified against any failure or delay in paying those costs or expenses.

17 DELEGATION

17.1 Power of Attorney

The Lender or 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.

17.2 Terms

Any such delegation may be made upon any terms (including power to sub-delegate) which the Lender or any Receiver may think fit.

17.3 Liability

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 delegate or sub-delegate.

18 FURTHER ASSURANCES

The Chargor must, at its own expense, take whatever action the Lender or a Receiver may require for:

18.1.1 creating, perfecting or protecting any security intended to be created by this Deed; or

18.1.2 facilitating the realisation of any Secured Asset, or the exercise of any right, power or discretion exercisable, by the Lender or any Receiver or any of its delegates or sub-delegates in respect of any Secured Asset.

This includes:

(a) the execution of any transfer, conveyance, assignment or assurance of any property, whether to the Lender or to its nominee; or

- (b) the giving of any notice, order or direction and the making of any registration,

which, in any such case, the Lender may think expedient.

19 POWER OF ATTORNEY

The Chargor, by way of security, irrevocably and severally appoints the Lender, each Receiver and any of its delegates or sub-delegates to be its attorney to take any action which the Chargor is obliged to take under this Deed. The Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 19.

20 PRESERVATION OF SECURITY

20.1 Continuing Security

This Security is a continuing security and will extend to the ultimate balance of the Secured Liabilities regardless of any intermediate payment or discharge in whole or in part.

20.2 Reinstatement

20.2.1 If any discharge (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) or arrangement is made in whole or in part on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation, administration or otherwise without limitation, the liability of the Chargor under this Deed will continue or be reinstated as if the discharge or arrangement had not occurred.

20.2.2 The Lender may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

20.3 Waiver of Defences

The obligations of the Chargor under this Deed will not be affected by any act, omission or thing (whether or not known to the Chargor or the Lender) which, but for this provision, would reduce, release or prejudice any of its obligations under this Deed. This includes:

20.3.1 any time or waiver granted to, or composition with, any person;

20.3.2 the release of any person under the terms of any composition or arrangement;

- 20.3.3 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 assets of, any person;
- 20.3.4 any non-presentation or non-observance of any formality or other requirement in respect of any instruments or any failure to realise the full value of any security;
- 20.3.5 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person;
- 20.3.6 any amendment of a Finance Document or any other document or security;
- 20.3.7 any unenforceability, illegality, invalidity or non-provability of any obligation of any person under any Finance Document or any other document or security; or
- 20.3.8 any insolvency or similar proceedings.

20.4 Immediate Recourse

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

20.5 Appropriations

The Lender (or any trustee or agent on its behalf) may at any time during the Security Period without affecting the liability of the Chargor under this Deed:

- 20.5.1 refrain from applying or enforcing any other moneys, security or rights held or received by that Lender (or any trustee or agent on its behalf) against those amounts; or
- 20.5.2 apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise); and
- 20.5.3 hold in a suspense account any moneys received from the Chargor or on account of the liability of the Chargor under this Deed.

20.6 Non-Competition

Unless:

20.6.1 the Security Period has expired; or

20.6.2 the Lender otherwise requests,

the Chargor will not, after a claim has been made under this Deed or by virtue of any payment or performance by it under this Deed:

- (a) be subrogated to any rights, security or moneys held, received or receivable by the Lender (or any trustee or agent on its behalf);
- (b) be entitled to any right of contribution or indemnity in respect of any payment made or moneys received on account of the Chargor's liability under this Deed;
- (c) claim, rank, prove or vote as a creditor of any Obligor or its estate in competition with the Lender (or any trustee or agent on its behalf); or
- (d) receive, claim or have the benefit of any payment, distribution or security from or on account of any Obligor, or exercise any right of set-off as against any Obligor.

The Chargor must hold in trust for and immediately pay or transfer to the Lender for the Finance Parties any payment or distribution or benefit of security received by it contrary to this Clause or in accordance with any directions given by the Lender under this Clause 20.

20.7 Additional Security

This Security is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by the Lender.

21 MISCELLANEOUS

21.1 Covenant to Pay

The Chargor undertakes to the Lender that it will pay or discharge to the Lender all the Secured Liabilities on demand in writing when the Secured Liabilities become due for payment or discharge (whether by acceleration or otherwise).

21.2 New Accounts

- 21.2.1 If any subsequent charge or other interest affects any Secured Asset, the Lender may open a new account with the Chargor.
- 21.2.2 If the Lender does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other account.
- 21.2.3 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 Secured Liability.

21.3 Time Deposits

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

- 21.3.1 this Security has become enforceable; and
- 21.3.2 no Secured Liability is due and payable,

that time deposit will automatically be renewed for any further maturity which the Lender considers appropriate.

21.4 Notice of Assignment

This Deed constitutes notice in writing to the Chargor of any charge or assignment of a debt owed by the Chargor to any other member of the Group and contained in any other Security Agreement.

22 GOVERNING LAW

This deed relating to priorities will be governed by English law and the parties submit to the non-exclusive jurisdiction of the English Courts.

This Deed has been entered into as a deed on the date stated at the beginning of this Deed.

SCHEDULE 1
REAL PROPERTY

None

SCHEDULE 2

FORMS OF LETTER FOR OCCUPATIONAL TENANTS

Part 1

Notice to Occupational Tenant

[On the letterhead of the Chargor]

To: • [Occupational Tenant]

• [Date]

Dear Sirs,

Re: • [Property Portfolio]

**Security Agreement dated • between • [Chargor]
and • [Lender] (the “Security Agreement”)**

We refer to the lease dated • and made between • and • (the “**Lease**”).

This letter constitutes notice to you that under the Security Agreement we have assigned by way of security to • [Lender] all our rights under the Lease.

We irrevocably instruct and authorise you to pay any rent payable by you under the Lease to our account [with the Lender] at •, Account No. •, Sort Code • (the “**Rent Account**”).

The instructions in this letter apply until you receive notice from the Lender to the contrary and notwithstanding any previous instructions given by us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Lender.

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

Please confirm your agreement to the above by signing the attached acknowledgement and returning it to the Lender at • [Address] with a copy to ourselves.

Yours faithfully

For • [Company]

Part 2
Acknowledgement of Occupational Tenant

To: • [Lender]

Attention: •

• [Date]

Dear Sirs,

Re: • [Property Portfolio]

Security Agreement dated • between • [Chargor]
and • [Lender] (the “Security Agreement”)

We confirm receipt from • [Chargor] (the “Chargor”) of a notice dated • (the “Notice”) in relation to the Lease (as defined in the Notice).

We accept the instructions contained in the Notice.

We confirm that we:

- (a) have not received any notice that any third party has or will have any right or interest in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Chargor under or in respect of the Lease (as defined in the Notice); and
- (b) must pay all rent and all other monies payable by us under the Lease into the Rent Account (as defined in the Notice); and
- (c) must continue to pay those monies into the Rent Account until we receive your written instructions to the contrary.

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

Yours faithfully

For •

SCHEDULE 3

FORMS OF LETTER FOR LANDLORD

Part 1

Notice to Landlord

[On the letterhead of the Chargor]

To: Landlord

• [Date]

Dear Sirs,

Re: • [Property Portfolio]

**Security Agreement dated • between • [Chargor]
and • [Lender] (the "Security Agreement")**

We refer to the lease dated • and made between • and • (the "**Lease**").

This letter constitutes notice to you that under the Security Agreement we have assigned by way of security to • [**Lender**] all our rights under the Lease.

The instructions in this letter apply until you receive notice from the Lender to the contrary and notwithstanding any previous instructions given by us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Lender.

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

Please confirm your agreement to the above by signing the attached acknowledgement and returning it to the Lender at • [Address] with a copy to ourselves.

Yours faithfully

For • Chargor

Part 2
Acknowledgement of Landlord

To: • [Lender]

Attention: •

• [Date]

Dear Sirs,

Re: • [Property Portfolio]

Security Agreement dated • between • [Chargor]
and • [Lender] (the “Security Agreement”)

We confirm receipt from • [Chargor] (the “Chargor”) of a notice dated • (the “Notice”) in relation to the Lease (as defined in the Notice).

We accept the instructions contained in the Notice.

We confirm that we have not received any notice that any third party has or will have any right or interest in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Chargor under or in respect of the Lease (as defined in the Notice).

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

Yours faithfully

For • [Landlord]

SCHEDULE 4

FORMS OF LETTER FOR BANK

Part 1

Notice to Bank

[On the letterhead of the Chargor]

To: • [Bank]

• [Date]

Dear Sirs,

**Security Agreement dated • between • [Chargor]
and • [Lender] (the “Security Agreement”)**

This letter constitutes notice to you that under the Security Agreement we have charged (by way of a first fixed charge) in favour of • [Lender] (the “Lender”) all our rights in respect of any amount standing to the credit of any account maintained by us with you (the “Accounts”).

We irrevocably instruct and authorise you to:

- (a) disclose to the Lender any information relating to any Account requested from you by the Lender;
- (b) comply with the terms of any written notice or instruction relating to any Account received by you from the Lender; and
- (c) pay or release any sum standing to the credit of any Account in accordance with the written instructions of the Lender.

We acknowledge that you may comply with the instructions in this letter without any further permission from us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Lender.

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

Please confirm your agreement to the above by sending the attached acknowledgement to the Lender at ● with a copy to ourselves.

Yours faithfully

(Authorised Signatory)

● [Chargor]

Part 2
Acknowledgement of Banks

[On the letterhead of the Bank]

To: • [Lender]

Copy: • [Chargor]

• [Date]

Dear Sirs,

Security Agreement dated • between • [Chargor]
and • [Lender] (the “Security Agreement”)

We confirm receipt from • [Chargor] (the “Chargor”) of a notice dated • of a charge upon the terms of the Security Agreement over all the rights of the Chargor to any amount standing to the credit of any of the Chargor’s accounts with us (the “Accounts”).

We confirm that we:

- (a) accept the instructions contained in the notice and agree to comply with the notice;
- (b) have not received notice of the interest of any third party in any Account;
- (c) have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of any Account; and
- (d) will not permit any amount to be withdrawn from any Account without your prior written consent.

The Accounts maintained with us are:

[Specify accounts and account numbers]

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

Yours faithfully,

(Authorised signatory)

- [Bank]

SCHEDULE 5

FORMS OF LETTER FOR RELEVANT CONTRACTS

Part 1

Notice to Counterparty

[On the letterhead of the Chargor]

To: • [Counterparty]

• [Date]

Dear Sirs,

**Security Agreement dated • between • [Chargor]
and • [Lender] (the “Security Agreement”)**

This letter constitutes notice to you that under the Security Agreement we have assigned by way of security to • [Lender] (the “Lender”) all our rights in respect of [insert details of Contract] (the “Contract”).

We confirm that:

- (a) we will remain liable under the Contract to perform all the obligations assumed by us under the Contract; and
- (b) none of the Lender, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Contract.

We will also remain entitled to exercise all our rights, powers and discretions under the Contract, and you should continue to give notices under the Contract to us, unless and until you receive notice from the Lender to the contrary stating that the security has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given to, the Lender or as it directs.

Please note that we have agreed that we will not amend or waive any provision of or terminate the Contract without the prior consent of the Lender.

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

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Lender at • [Address].

Yours faithfully

(Authorised signatory)

•[Chargor]

SIGNATORIES

CHARGOR

Executed and delivered as a Deed by
KENT AIRPORT LIMITED acting
by:

Print Full Name

Director

In the presence of:

Print Full Name

Witness

Address

LENDER

Executed and delivered as a Deed by
MANSTON SKYPORT LIMITED
acting by:

Pauline Bradley
Print Full Name

P Bradley
Authorised Signatory

In the presence of:

Adam Howie
Print Full Name

M Hi
Witness

Address

50 Letham Road
Edinburgh
EH3 9UJ


DATED: 29 November 2013

KENT AIRPORT LIMITED
as Chargor

and

MANSTON SKYPORT LIMITED
as Lender

DEBENTURE

Certified a true copy
Edinburgh 9/12/13

for and on behalf of Burness Paul LLP

INDEX

Clause No.	Heading	Page No.
1	INTERPRETATION	1
2	CREATION OF SECURITY	3
3	EXCLUDED ASSETS	7
4	REPRESENTATIONS AND WARRANTIES - GENERAL	7
5	RESTRICTIONS ON DEALINGS	8
6	LAND	8
7	SECURITIES	12
8	ACCOUNTS	14
9	RELEVANT CONTRACTS	15
10	WHEN SECURITY BECOMES ENFORCEABLE	15
11	SET-OFF	16
12	ENFORCEMENT OF SECURITY	16
13	RECEIVER	18
14	POWERS OF RECEIVER	19
15	APPLICATION OF ENFORCEMENT PROCEEDS	22
16	EXPENSES AND INDEMNITY	22
17	DELEGATION	23
18	FURTHER ASSURANCES	23
19	POWER OF ATTORNEY	24
20	PRESERVATION OF SECURITY	24
21	MISCELLANEOUS	26
22	GOVERNING LAW	27
	SCHEDULE 1	28
	SCHEDULE 2	29
	SCHEDULE 3	33
	SCHEDULE 4	36
	SCHEDULE 5	40

THIS DEED is dated 29 November 2013 and is made between

- (1) **KENT AIRPORT LIMITED**, a company incorporated under the Companies Acts with registered number SC176703 and having its registered office at Glasgow Prestwick Airport, Aviation House, Prestwick, Ayrshire KA9 2PL (the “**Chargor**”); and
- (2) **MANSTON SKYPORT LIMITED**, a company incorporated under the Companies Acts with registered number SC459586 and having its registered office at 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ (the “**Lender**”)

CONSIDERING THAT:

- (i) the Lender has agreed to make loans available to the Chargor under the Loan Note Instrument (as defined below);
- (ii) one of the conditions precedent to the availability of the loans referred to in paragraph (i) above is that the Chargor grants to the Lender this security agreement;
- (iii) it is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED as follows:

1 **INTERPRETATION**

1.1 **Definitions**

In this Deed:

“**Act**” means the Law of Property Act 1925;

“**Event of Default**” means (i) any breach by the Chargor of any of the provisions of this Debenture or (ii) any failure by the Chargor to make payment of any of the Secured Liabilities when demanded or (iii) a petition being presented for the making of an administration order in respect of any Chargor, an application being made or a resolution being passed for the winding up of the Chargor or a receiver being appointed in respect of any of the property, undertakings or assets of the Chargor or (iv) any other event designated as an event of default or any similar expression or which otherwise entitles the Lender to demand payment from the Chargor in terms of any loan or other documentation in force from time to time;

“**Finance Documents**” means the Loan Note Documents, the Guarantee, this Deed and any other documents designated as a Finance Document by the Lender and the Chargor;

“Guarantee” means the guarantee pursuant to which the Chargor has guaranteed the debts owed by Kent Facilities Limited to the Lender dated on or around the date of this Deed between the Chargor, Kent Facilities Limited and the Lender;

“Loan Note Instrument” means the loan note instrument pursuant to which the Loan Notes are to be constituted dated on or around the date of this Deed between the Chargor and the Lender;

“Loan Notes” means any loan notes issued by the Chargor under the terms of the Loan Note Instrument;

“Loan Note Documents” means the Loan Note Instrument and the Loan Notes and any other documents entered into pursuant to any of them;

“Party” means a party to this Deed;

“Receiver” means an administrative receiver, receiver and manager or a receiver, in each case, appointed under this Deed;

“Secured Liabilities” means all present and future obligations and liabilities of the Chargor to the Lender, whether actual, contingent, sole, joint and/or several or otherwise, including, without prejudice to the foregoing generality, all obligations to indemnify the Lender;

“Secured Assets” means all assets of the Chargor the subject of any security created by this Deed; and

“Security Period” means the period beginning on the date of this Deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.

1.2 Construction

1.2.1 Capitalised terms defined in the Loan Note Instrument have, unless expressly defined in this Deed, the same meaning in this Deed.

1.2.2 A Finance Document or other document includes (without prejudice to any prohibition on amendments) all amendments however fundamental to that Finance Document or other document, including any amendment providing for any increase in the amount of a facility or any additional facility.

1.2.3 The term **“Security”** means any security created by this Deed.

1.2.4 A reference to any asset, unless the context otherwise requires, includes any present and future asset.

- 1.2.5 Any covenant of the Chargor under this Deed (other than a payment obligation) remains in force during the Security Period.
- 1.2.6 The terms of the other Finance Documents and of any side letters between any Parties in relation to any Finance Document are incorporated in this Deed to the extent required to ensure that any purported disposition of any freehold or leasehold property contained in this Deed is a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- 1.2.7 If the Lender considers that an amount paid to it is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- 1.2.8 Unless the context otherwise requires, a reference to a Secured Asset includes the proceeds of sale of that Secured Asset.
- 1.2.9 In this Deed, the singular includes the plural and vice versa. Clause headings are for ease of reference only and reference to a Clause or Schedule is to be construed as a reference to a clause of or schedule to this Deed.
- 1.2.10 Any appointment of a Receiver under Clause 10 (Enforcement of Security) may be made by any successor in title or permitted assign or permitted transferee of the Lender and the Chargor by its execution of this Deed irrevocably appoints such successor or assign or transferee to its attorney in accordance with the appointment stated in Clause 17.

2 CREATION OF SECURITY

2.1 General

All the security created under this Deed:

- 2.1.1 is created in favour of the Lender;
- 2.1.2 is created over present and future assets of the Chargor;
- 2.1.3 is security for the payment and satisfaction of all the Secured Liabilities;
and
- 2.1.4 is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

2.2 Land

2.2.1 The Chargor charges:

- (a) by way of a first legal mortgage all estates or interests in any freehold or leasehold property now owned by it; this includes the real property (if any) specified in Schedule 1 (Real Property); and
- (b) (to the extent that they are not either the subject of a mortgage under Clause 2.2.1(a) above or freehold, feuhold or leasehold property in Scotland) by way of first fixed charge all estates or interests in any freehold or leasehold property now or subsequently owned by it.

2.2.2 A reference in this Clause 2.2 to a mortgage or charge of any freehold or leasehold property includes:

- (a) all buildings, fixtures, fittings and fixed plant and machinery on that property; and
- (b) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

2.3 Securities

2.3.1 The Chargor charges by way of a first fixed charge its interest in all shares, stocks, debentures, bonds or other securities and investments owned by it or held by any nominee on its behalf.

2.3.2 A reference in this Clause 2.3 to a mortgage or charge of any stock, share, debenture, bond or other security includes:

- (a) any dividend or interest paid or payable in relation to it; and
- (b) any right, money or property accruing or offered at any time in relation to it by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise.

2.4 Plant and Machinery

The Chargor charges by way of a first fixed charge all plant and machinery owned by the Chargor and its interest in any plant or machinery in its possession.

2.5 Credit Balances

The Chargor charges by way of a first fixed charge all of its rights in respect of any amount standing to the credit of any account (including any account contemplated

by the Loan Note Instrument or this Deed) it has with any person and the debt represented by it.

2.6 Book Debts etc.

The Chargor charges by way of a first fixed charge:

- 2.6.1 all of its book and other debts;
- 2.6.2 all other moneys due and owing to it; and
- 2.6.3 the benefit of all rights, securities or guarantees of any nature enjoyed or held by it in relation to any item under Clause 2.6.1 or 2.6.3.

2.7 Insurances

The Chargor assigns absolutely, subject to a proviso for re-assignment on redemption:

- 2.7.1 all of its rights under any contract of insurance taken out by it or on its behalf or in which it has an interest; and
- 2.7.2 all monies payable and all monies paid to it under or in respect of all such contracts of insurance.

2.8 Other Contracts

The Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights:

- 2.8.1 under each Lease Document;
- 2.8.2 in respect of all Rental Income;
- 2.8.3 under any guarantee of Rental Income contained in or relating to any Lease Document;
- 2.8.4 under each appointment of a Managing Agent;
- 2.8.5 under any agreement relating to the purchase of a Property by the Chargor; and
- 2.8.6 under any other agreement to which it is a party except to the extent that it is subject to any fixed security created under any other term of this Clause 1.2.10.

2.9 Miscellaneous

The Chargor charges by way of first fixed charge:

- 2.9.1 any beneficial interest, claim or entitlement it has in any pension fund;
- 2.9.2 its goodwill;
- 2.9.3 the benefit of any authorisation (statutory or otherwise) held in connection with its use of any Secured Asset;
- 2.9.4 the right to recover and receive compensation which may be payable to it in respect of any authorisation referred to in Clause 2.9.3; and
- 2.9.5 its uncalled capital.

2.10 Floating Charge

- 2.10.1 The Chargor charges by way of a first floating charge all its assets not otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, charge or assignment under this Clause 2.10.1 .
- 2.10.2 Except as provided below, the Lender may by notice to the Chargor convert the floating charge created by this Clause 2.10 into a fixed charge as regards any of the Chargor's assets specified in that notice, if:
 - (a) an Event of Default is outstanding; or
 - (b) the Lender considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.
- 2.10.3 The floating charge created by this Clause 2.10 may not be converted into a fixed charge solely by reason of:
 - (a) the obtaining of a moratorium; or
 - (b) anything done with a view to obtaining a moratorium,under section 1A of the Insolvency Act 1986.
- 2.10.4 The floating charge created by this Clause 2.10 will automatically convert into a fixed charge over all of the Chargor's assets if an administrator is appointed or the Lender receives notice of an intention to appoint an administrator.

- 2.10.5 The floating charge created by this Clause 2.10 is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

3 EXCLUDED ASSETS

- 3.1 There shall be excluded from the Security created by this Deed, and from the operation of Clause 5 (*Restrictions on Dealings*), any leasehold property held by the Chargor under a lease which precludes either absolutely or conditionally (including requiring the consent of any third party) the Chargor from creating any charge over its leasehold interest in that property (the "**Excluded Assets**") until the relevant condition or waiver has been satisfied or obtained.
- 3.2 For each Excluded Asset, the Chargor undertakes to:
- 3.2.1 within 10 Business Days of a written request by the Lender, apply to the reversioner of the relevant lease for either (i) consent to create a mortgage or charge over its interest in such Excluded Assets or (ii) a waiver of any prohibition or conditions under such lease which precludes either absolutely or conditionally it from creating any mortgage or charge over its interest in such Excluded Assets;
 - 3.2.2 use all reasonable endeavours (but for the avoidance of doubt not requiring the payment of fees, costs and expenses in excess of fees, costs and expenses payable in accordance with usual market practice for applications of such nature) for a period of six months following the date of such application to obtain that consent or waiver of prohibition as soon as possible following such application;
 - 3.2.3 upon reasonable request, keep the Lender informed of its progress in obtaining such consent or waiver; and
 - 3.2.4 forthwith upon receipt of such consent or waiver, provide the Lender with a copy.
- 3.3 Immediately upon receipt of the relevant waiver or consent, the relevant formerly Excluded Assets shall stand charged to the Lender under Clause 2 (*Creation of Security*) as the case may be. If required by the Lender at any time following receipt of that waiver or consent, the Chargor will execute a further valid fixed charge by way of legal mortgage.

4 REPRESENTATIONS AND WARRANTIES - GENERAL

4.1 Nature of Security

The Chargor represents and warrants to the Lender that this Deed creates those Security interests it purports to create and is not liable to be avoided or otherwise set aside on the liquidation or administration of the Chargor or otherwise.

4.2 Times for Making Representations and Warranties

4.2.1 The representations and warranties set out in this Deed (including in this Clause 4.2) are made on the date of this Deed.

4.2.2 Unless a representation and warranty is expressed to be given at a specific date, each representation and warranty under this Deed is deemed to be repeated by the Chargor on the date of each Request, on each Utilisation Date and on the first day of each Interest Period.

4.2.3 When a representation and warranty is repeated, it is applied to the circumstances existing at the time of repetition.

5 RESTRICTIONS ON DEALINGS

5.1 Security

Except as expressly allowed in the Loan Note Instrument, the Chargor must not create or permit to subsist any Security interest on any Secured Asset (except for this Security).

5.2 Disposals

Except as expressly allowed in the Loan Note Instrument, the Chargor must not sell, transfer, licence, lease or otherwise dispose of any Secured Asset, except for the disposal in the ordinary course of trade of any Secured Asset subject to the floating charge created under this Deed.

6 LAND

6.1 General

In this Clause 6:

“Fixtures” means all fixtures and fittings and fixed plant and machinery on the Mortgaged Property.

“Insured Property” Assets means the Premises and all the Chargor’s other assets of an insurable nature in the Premises.

“Mortgaged Property” means all freehold or leasehold property included in the definition of Secured Assets.

"Premises" means all buildings and erections included in the definition of Secured Assets.

6.2 Repair

The Chargor must keep:

- 6.2.1 the Premises in good and substantial repair and condition and adequately and properly painted and decorated; and
- 6.2.2 the Fixtures and all plant, machinery, implements and other effects owned by it and which are in or on the Premises or elsewhere in a good state of repair and in good working order and condition.

6.3 Compliance with Leases and Covenants

The Chargor must:

- 6.3.1 perform all the terms on its part contained in any lease or agreement for lease comprised in the Mortgaged Property;
- 6.3.2 not do or allow to be done any act as a result of which any lease or agreement for lease comprised in the Mortgaged Property may become liable to forfeiture or otherwise be terminated; and
- 6.3.3 duly and punctually comply with, and indemnify the Lender in respect of any breach of, any covenant or stipulation (restrictive or otherwise) affecting the Mortgaged Property.

6.4 Notices to Tenants

The Chargor must:

- 6.4.1 immediately serve a notice of assignment, substantially in the form of Part 1 of Schedule 2 (Forms of Letter for Occupational Tenants), on each tenant of the Mortgaged Property; and
- 6.4.2 use reasonable endeavours to ensure that each such tenant acknowledges that notice, substantially in the form of Part 2 of Schedule 2 (Forms of Letter for Occupational Tenants).

6.5 Notices to Landlords

The Chargor must:

- 6.5.1 immediately serve a notice of assignment, substantially in the form of Part 1 of Schedule 3 (Forms of Letter for Landlords), on each landlord of the Mortgaged Property; and
- 6.5.2 use reasonable endeavours to ensure that each such tenant acknowledges that notice, substantially in the form of Part 3 of Schedule 3 (Forms of Letter for Landlords).

6.6 Acquisitions

If the Chargor acquires any freehold or leasehold property after the date of this Deed it must:

- 6.6.1 notify the Lender immediately;
- 6.6.2 immediately on request by the Lender and at the cost of the Chargor, execute and deliver to the Lender a legal mortgage in favour of the Lender of that property in any form which the Lender may require;
- 6.6.3 if the title to that freehold or leasehold property is registered at H.M. Land Registry or required to be so registered, give H.M. Land Registry written notice of this Security; and
- 6.6.4 if applicable, ensure that this Security is correctly noted in the Register of Title against that title at H.M. Land Registry.

6.7 Compliance with Applicable Laws and Regulations

The Chargor must perform all its obligations under any law or regulation in any way related to or affecting the Mortgaged Property.

6.8 Notices

The Chargor must, within 14 days after the receipt by the Chargor of any application, requirement, order or notice served or given by any public or local or any other authority with respect to the Mortgaged Property (or any part of it):

- 6.8.1 deliver a copy to the Lender; and
- 6.8.2 inform the Lender of the steps taken or proposed to be taken to comply with the relevant requirement.

6.9 Development

- 6.9.1 In this Clause 6, Planning Acts means the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990,

the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990 and the Planning and Compensation Act 1991, and any subordinate legislation made (before or after this Deed) under those statutes and any other statute governing or controlling the use or development of land and property.

6.9.2 The Chargor must not:

- (a) make or allow to be made any application for planning permission in respect of any part of the Mortgaged Property; or
- (b) carry out or allow to be carried out on any part of the Mortgaged Property any development (within the meaning of the Planning Acts and being development for which the permission of the local planning authority is required).

6.10 H.M. Land Registry

The Chargor consents to a restriction in the following terms being entered into on the Register of Title relating to any Mortgaged Property registered at H.M. Land Registry:

“No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated • in favour of • referred to in the charges register or their conveyancer. (Standard Form P)”.

6.11 Deposit of Title Deeds

The Chargor must deposit with the Lender all deeds and documents of title relating to the Mortgaged Property and all local land charges, land charges and Land Registry search certificates and similar documents received by or on behalf of the Chargor.

6.12 Investigation of Title

The Chargor must grant the Lender or its lawyers on request all facilities within the power of the Chargor to enable the Lender or its lawyers (at the expense of the Chargor) to:

- 6.12.1 carry out investigations of title to the Mortgaged Property; and
- 6.12.2 make such enquiries in relation to any part of the Mortgaged Property as a prudent mortgagee might carry out.

6.13 Power to Remedy

If the Chargor fails to perform any term affecting the Mortgaged Property, the Chargor must allow the Lender or its agents and contractors:

- 6.13.1 to enter any part of the Mortgaged Property;
- 6.13.2 to comply with or object to any notice served on the Chargor in respect of the Mortgaged Property; and
- 6.13.3 to take any action as the Lender may reasonably consider necessary or desirable to prevent or remedy any breach of any such term or to comply with or object to any such notice.

The Chargor must immediately on request by the Lender pay the costs and expenses of the Lender or its agents and contractors incurred in connection with any action taken by it under this Clause 6.13.

7 SECURITIES

7.1 General

In this Clause 7:

“Investments” means:

- (a) all shares, stocks, debentures, bonds or other securities and investments included in the definition of Secured Assets in Clause 1.1 (Definitions);
- (b) any dividend or interest paid or payable in relation to any of the above; and
- (c) any right, money or property accruing or offered at any time in relation to any of the above by way of redemption, substitution, exchange, bonus or preference under option rights or otherwise.

7.2 Investments

The Chargor represents to the Lender that:

- 7.2.1 the Investments are fully paid; and
- 7.2.2 it is the sole legal and beneficial owner of the Investments.

7.3 Deposit

The Chargor must:

- 7.3.1 (a) immediately deposit with the Lender, or as the Lender may direct, all certificates and other documents of title or evidence of ownership in relation to any Investment; and
- 7.3.2 (b) promptly execute and deliver to the Lender all share transfers and other documents which may be requested by the Lender in order to enable the Lender or its nominees to be registered as the owner or otherwise obtain a legal title to any Investment.

7.4 Changes to Rights

The Chargor must not take or allow the taking of any action on its behalf which may result in the rights attaching to any of the Investments being altered or further Investments being issued.

7.5 Calls

- 7.5.1 The Chargor must pay all calls or other payments due and payable in respect of any Investment.
- 7.5.2 If the Chargor fails to do so, the Lender may pay the calls or other payments in respect of any Investment on behalf of the Chargor. The Chargor must immediately on request reimburse the Lender for any payment made by the Lender under this Clause 7.5.2.

7.6 Other Obligations in respect of Investments

- 7.6.1 The Chargor must promptly copy to the Lender and comply with all requests for information which is within its knowledge and which are made under any law or regulation or by any listing or other authority or any similar provision contained in any articles of association or other constitutional document relating to any of the Investments. If it fails to do so, the Lender may elect to provide such information as it may have on behalf of the Chargor.
- 7.6.2 The Chargor must comply with all other conditions and obligations assumed by it in respect of any Investment.
- 7.6.3 The Lender is not obliged to:
 - (a) perform any obligation of the Chargor;
 - (b) make any payment;
 - (c) make any enquiry as to the nature or sufficiency of any payment received by it or the Chargor; or

- (d) present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under this Deed,

in respect of any Investment.

7.7 Voting Rights

7.7.1 Before this Security becomes enforceable:

- (a) the voting rights, powers and other rights in respect of the Investments must (if exercisable by the Lender) be exercised in any manner which the Chargor may direct in writing; and
- (b) all dividends or other income paid or payable in relation to any Investments must be paid to an account with a bank approved by the Lender.

7.7.2 The Chargor must indemnify the Lender against any loss or liability incurred by the Lender as a consequence of the Lender acting in respect of the Investments as permitted by this Deed on the direction of the Chargor.

7.7.3 After this Security has become enforceable, the Lender may exercise (in the name of the Chargor and without any further consent or authority on the part of the Chargor) any voting rights and any powers or rights which may be exercised by the legal or beneficial owner of any Investment, any person who is the holder of any Investment or otherwise.

8 ACCOUNTS

8.1 The Chargor shall deliver to the Lender on the date of this Deed (and, if any change occurs thereafter or on the date of such changes), details of each account maintained by it with any bank or financial institution.

8.2 Book Debts and Receipts

8.2.1 The Chargor must get in and realise its:

- (a) rent and other amounts due from tenants of the Mortgaged Property; and
- (b) book and other debts and other moneys due and owing to it,

in the ordinary course of its business and hold the proceeds of the getting in and realisation in an account with a bank approved by the Lender on trust for the Lender.

8.3 Notices of Charge

The Chargor must:

- 8.3.1 immediately on request by the Lender serve a notice of assignment, substantially in the form of Part 1 of Schedule 4 (Forms of Letter for Bank), on each Bank which it holds an account; and
- 8.3.2 use reasonable endeavours to ensure that each such bank acknowledges the notice, substantially in the form of Part 2 of Schedule 4 (Forms of Letter for Bank).

9 RELEVANT CONTRACTS

9.1 General

In this Clause 9, “**Relevant Contract**” means any agreement to which the Chargor is a party and which the Lender has designated in writing as a Relevant Contract.

9.2 Notices of Assignment

The Chargor must, at the request of the Lender:

- 9.2.1 immediately serve a notice of assignment, substantially in the form of Part 1 of Schedule 5 (Forms of Letter for Relevant Contracts), on each counterparty to a Relevant Contract; and
- 9.2.2 use reasonable endeavours to ensure that each such party acknowledges that notice, substantially in the form of Part 2 of Schedule 5 (Forms of Letter for Relevant Contracts).

10 WHEN SECURITY BECOMES ENFORCEABLE

10.1 Event of Default

This Security will become immediately enforceable if an Event of Default occurs.

10.2 Discretion

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 or as the Lender directs.

10.3 Statutory Powers

The power of sale and other powers conferred by Section 101 of the Act, as amended by this Deed, will be immediately exercisable at any time after this Security has become enforceable.

11 SET-OFF

The Lender may set off any matured obligation due from the Chargor under the Finance Documents against any matured obligation owed by the Lender to the Chargor regardless of the place of payment or currency of either obligation.

12 ENFORCEMENT OF SECURITY

12.1 General

12.1.1 For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.

12.1.2 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.

12.1.3 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 Section 99 or 100 of the Act.

12.2 No Liability as Mortgagee in Possession

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

12.3 Privileges

Each Receiver and the Lender is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act, except that Section 103 of the Act does not apply.

12.4 Protection of Third Parties

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

- 12.4.1 whether the Secured Liabilities have become payable;
- 12.4.2 whether any power which the Lender or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
- 12.4.3 whether any money remains due under the Finance Documents; or
- 12.4.4 how any money paid to the Lender or to that Receiver is to be applied.

12.5 **Redemption of Prior Mortgages**

- 12.5.1 At any time after this Security has become enforceable, the Lender may:
 - (a) redeem any prior Security interest against any Secured Asset; and/or
 - (b) procure the transfer of that Security interest to itself; and/or
 - (c) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the Chargor.
- 12.5.2 The Chargor must pay to the Lender, immediately on demand, the costs and expenses incurred by the Lender in connection with any such redemption and/or transfer, including the payment of any principal or interest.

12.6 **Contingencies**

If this Security is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, the Lender (or the Receiver) may pay the proceeds of any recoveries effected by it into a suspense account or other account selected by it.

12.7 **Right of Appropriation**

To the extent that any of the Secured Assets constitutes "financial collateral" and this Security Agreement 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 Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226) (the "**Regulations**") the Lender shall have the right to appropriate all or any part of such financial collateral in or towards discharge of the Secured Liabilities and may exercise such right to appropriate upon giving written notice to the Chargor. For this purpose, the parties agree that the value of such financial collateral so appropriated shall be (a) in the case of cash, the amount standing to the credit of each of the relevant accounts, together with any accrued but unposted interest, at the time the right of appropriation is exercised; and (b) in the case of any

shares, stocks, debentures, bonds or other securities or investments, the market price of such shares, stocks, debentures, bonds or other securities or investments determined by the Lender by reference to a public index or by such other process as the Lender may select, including independent valuation. In each case, the parties agree that the method of valuation provided for in this Security Agreement shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

13 RECEIVER

13.1 Appointment of Receiver

13.1.1 Except as provided below, the Lender may appoint any one or more persons to be a Receiver of all or any part of the Secured Assets if:

- (a) this Security has become enforceable; or
- (b) the Chargor so requests the Lender in writing at any time.

13.1.2 Any appointment under Clause 13.1 may be by deed, under seal or in writing under its hand.

13.1.3 Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under Section 109(1) of the Act) does not apply to this Deed.

13.1.4 The Lender is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under Section 1A of the Insolvency Act 1986.

13.1.5 The Lender may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Secured Assets if the Lender is prohibited from so doing by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

13.2 Removal

The Lender may by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

13.3 Remuneration

The Lender may fix the remuneration of any Receiver appointed by it and the maximum rate specified in Section 109(6) of the Act will not apply.

13.4 Agent of the Chargor

13.4.1 A Receiver will be deemed to be the agent of the Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. The Chargor alone is responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver and for liabilities incurred by a Receiver.

13.4.2 No Lender will incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

13.5 Exercise of Receiver Powers by the Lender

To the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after this Security becomes enforceable be exercised by the Lender in relation to any Secured Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.

14 POWERS OF RECEIVER

14.1 General

14.1.1 A Receiver has all of the rights, powers and discretions set out below in this Clause 14 in addition to those conferred on it by any law, this includes:

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

14.1.2 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

14.2 Possession

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

14.3 Carry on Business

A Receiver may carry on any business of the Chargor in any manner he thinks fit.

14.4 Employees

14.4.1 A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he thinks fit.

14.4.2 A Receiver may discharge any person appointed by the Chargor.

14.5 Borrow Money

A Receiver may raise and borrow money either unsecured or on the security of any Secured Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which he thinks fit.

14.6 Sale of Assets

14.6.1 A Receiver may sell, exchange, convert into money and realise any Secured Asset by public auction or private contract and generally in any manner and on any terms which he thinks fit.

14.6.2 The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which he thinks fit.

14.6.3 Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the Chargor.

14.7 Leases

A Receiver may let any Secured Asset for any term and at any rent (with or without a premium) which he thinks fit and may accept a surrender of any lease or tenancy of any Secured Asset on any terms which he thinks fit (including the payment of money to a lessee or tenant on a surrender).

14.8 Compromise

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of the Chargor or relating in any way to any Secured Asset.

14.9 Legal Actions

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Secured Asset which he thinks fit.

14.10 Receipts

A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Secured Asset.

14.11 Subsidiaries

A Receiver may form a Subsidiary of the Chargor and transfer to that Subsidiary any Secured Asset.

14.12 Delegation

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

14.13 Lending

A Receiver may lend money or advance credit to any customer of the Chargor.

14.14 Protection of Assets

A Receiver may:

14.14.1 effect any repair or insurance and do any other act which the Chargor might do in the ordinary conduct of its business to protect or improve any Secured Asset;

14.14.2 commence and/or complete any building operation; and

14.14.3 apply for and maintain any planning permission, building regulation approval or any other authorisation,

in each case as he thinks fit.

14.15 Other Powers

A Receiver may:

- 14.15.1 do all other acts and things which he may consider desirable or necessary for realising any Secured Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law;
- 14.15.2 exercise in relation to any Secured Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Secured Asset; and
- 14.15.3 use the name of the Chargor for any of the above purposes.

15 APPLICATION OF ENFORCEMENT PROCEEDS

- 15.1 All monies received by the Lender or any Receiver under or by virtue of this Deed following enforcement of the security hereby granted or of any security interest constituted pursuant hereto shall be applied, subject to the claims of any creditors ranking in priority to or *pari passu* with the claims of the Lender under this Deed, in the following order:
 - 15.1.1 firstly, in or towards payment of all costs, charges and expenses of or incidental to the appointment of the Receiver and the exercise of all or any of his powers, including his remuneration and all outgoings paid by and liabilities incurred by him as a result of such exercise;
 - 15.1.2 secondly, in or towards satisfaction of the Secured Liabilities in such order as the Lender shall in its absolute discretion decide; and
 - 15.1.3 thirdly, any surplus shall be paid to the Chargor or any other person entitled to it.
- 15.2 Nothing contained in this Deed shall limit the right of the Receiver or the Lender (and the Chargor acknowledges that the Receiver and the Lender are so entitled) if and for so long as the Receiver or the Lender, in their discretion, shall consider it appropriate, to place all or any monies arising from the enforcement of the security interest hereby granted or any security created pursuant to this Deed into a suspense account, without any obligation to apply the same or any part thereof in or towards the discharge of any of the Secured Liabilities.

16 EXPENSES AND INDEMNITY

The Chargor must:

16.1.1 immediately on demand pay all costs and expenses (including legal fees) incurred in connection with this Deed by the Lender, Receiver, attorney, manager, agent or other person appointed by the Lender under this Deed including any arising from any actual or alleged breach by any person of any law or regulation, whether relating to the environment or otherwise; and

16.1.2 keep each of them indemnified against any failure or delay in paying those costs or expenses.

17 DELEGATION

17.1 Power of Attorney

The Lender or 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.

17.2 Terms

Any such delegation may be made upon any terms (including power to sub-delegate) which the Lender or any Receiver may think fit.

17.3 Liability

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 delegate or sub-delegate.

18 FURTHER ASSURANCES

The Chargor must, at its own expense, take whatever action the Lender or a Receiver may require for:

18.1.1 creating, perfecting or protecting any security intended to be created by this Deed; or

18.1.2 facilitating the realisation of any Secured Asset, or the exercise of any right, power or discretion exercisable, by the Lender or any Receiver or any of its delegates or sub-delegates in respect of any Secured Asset.

This includes:

(a) the execution of any transfer, conveyance, assignment or assurance of any property, whether to the Lender or to its nominee; or

(b) the giving of any notice, order or direction and the making of any registration,

which, in any such case, the Lender may think expedient.

19 POWER OF ATTORNEY

The Chargor, by way of security, irrevocably and severally appoints the Lender, each Receiver and any of its delegates or sub-delegates to be its attorney to take any action which the Chargor is obliged to take under this Deed. The Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 19.

20 PRESERVATION OF SECURITY

20.1 Continuing Security

This Security is a continuing security and will extend to the ultimate balance of the Secured Liabilities regardless of any intermediate payment or discharge in whole or in part.

20.2 Reinstatement

20.2.1 If any discharge (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) or arrangement is made in whole or in part on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation, administration or otherwise without limitation, the liability of the Chargor under this Deed will continue or be reinstated as if the discharge or arrangement had not occurred.

20.2.2 The Lender may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

20.3 Waiver of Defences

The obligations of the Chargor under this Deed will not be affected by any act, omission or thing (whether or not known to the Chargor or the Lender) which, but for this provision, would reduce, release or prejudice any of its obligations under this Deed. This includes:

20.3.1 any time or waiver granted to, or composition with, any person;

20.3.2 the release of any person under the terms of any composition or arrangement;

- 20.3.3 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 assets of, any person;
- 20.3.4 any non-presentation or non-observance of any formality or other requirement in respect of any instruments or any failure to realise the full value of any security;
- 20.3.5 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person;
- 20.3.6 any amendment of a Finance Document or any other document or security;
- 20.3.7 any unenforceability, illegality, invalidity or non-provability of any obligation of any person under any Finance Document or any other document or security; or
- 20.3.8 any insolvency or similar proceedings.

20.4 Immediate Recourse

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

20.5 Appropriations

The Lender (or any trustee or agent on its behalf) may at any time during the Security Period without affecting the liability of the Chargor under this Deed:

- 20.5.1 refrain from applying or enforcing any other moneys, security or rights held or received by that Lender (or any trustee or agent on its behalf) against those amounts; or
- 20.5.2 apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise); and
- 20.5.3 hold in a suspense account any moneys received from the Chargor or on account of the liability of the Chargor under this Deed.

20.6 Non-Competition

Unless:

20.6.1 the Security Period has expired; or

20.6.2 the Lender otherwise requests,

the Chargor will not, after a claim has been made under this Deed or by virtue of any payment or performance by it under this Deed:

- (a) be subrogated to any rights, security or moneys held, received or receivable by the Lender (or any trustee or agent on its behalf);
- (b) be entitled to any right of contribution or indemnity in respect of any payment made or moneys received on account of the Chargor's liability under this Deed;
- (c) claim, rank, prove or vote as a creditor of any Obligor or its estate in competition with the Lender (or any trustee or agent on its behalf); or
- (d) receive, claim or have the benefit of any payment, distribution or security from or on account of any Obligor, or exercise any right of set-off as against any Obligor.

The Chargor must hold in trust for and immediately pay or transfer to the Lender for the Finance Parties any payment or distribution or benefit of security received by it contrary to this Clause or in accordance with any directions given by the Lender under this Clause 20.

20.7 Additional Security

This Security is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by the Lender.

21 MISCELLANEOUS

21.1 Covenant to Pay

The Chargor undertakes to the Lender that it will pay or discharge to the Lender all the Secured Liabilities on demand in writing when the Secured Liabilities become due for payment or discharge (whether by acceleration or otherwise).

21.2 New Accounts

- 21.2.1 If any subsequent charge or other interest affects any Secured Asset, the Lender may open a new account with the Chargor.
- 21.2.2 If the Lender does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other account.
- 21.2.3 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 Secured Liability.

21.3 Time Deposits

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

21.3.1 this Security has become enforceable; and

21.3.2 no Secured Liability is due and payable,

that time deposit will automatically be renewed for any further maturity which the Lender considers appropriate.

21.4 Notice of Assignment

This Deed constitutes notice in writing to the Chargor of any charge or assignment of a debt owed by the Chargor to any other member of the Group and contained in any other Security Agreement.

22 GOVERNING LAW

This deed relating to priorities will be governed by English law and the parties submit to the non-exclusive jurisdiction of the English Courts.

This Deed has been entered into as a deed on the date stated at the beginning of this Deed.

SCHEDULE 1
REAL PROPERTY

None

SCHEDULE 2

FORMS OF LETTER FOR OCCUPATIONAL TENANTS

Part 1

Notice to Occupational Tenant

[On the letterhead of the Chargor]

To: • [Occupational Tenant]

• [Date]

Dear Sirs,

Re: • [Property Portfolio]

**Security Agreement dated • between • [Chargor]
and • [Lender] (the "Security Agreement")**

We refer to the lease dated • and made between • and • (the "Lease").

This letter constitutes notice to you that under the Security Agreement we have assigned by way of security to • [Lender] all our rights under the Lease.

We irrevocably instruct and authorise you to pay any rent payable by you under the Lease to our account [with the Lender] at •, Account No. •, Sort Code • (the "Rent Account").

The instructions in this letter apply until you receive notice from the Lender to the contrary and notwithstanding any previous instructions given by us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Lender.

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

Please confirm your agreement to the above by signing the attached acknowledgement and returning it to the Lender at • [Address] with a copy to ourselves.

Yours faithfully

For • [Company]

Part 2
Acknowledgement of Occupational Tenant

To: • [Lender]

Attention: •

• [Date]

Dear Sirs,

Re: • [Property Portfolio]

Security Agreement dated • between • [Chargor]
and • [Lender] (the “Security Agreement”)

We confirm receipt from • [Chargor] (the “Chargor”) of a notice dated • (the “Notice”) in relation to the Lease (as defined in the Notice).

We accept the instructions contained in the Notice.

We confirm that we:

- (a) have not received any notice that any third party has or will have any right or interest in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Chargor under or in respect of the Lease (as defined in the Notice); and
- (b) must pay all rent and all other monies payable by us under the Lease into the Rent Account (as defined in the Notice); and
- (c) must continue to pay those monies into the Rent Account until we receive your written instructions to the contrary.

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

Yours faithfully

For ●

SCHEDULE 3

FORMS OF LETTER FOR LANDLORD

Part 1

Notice to Landlord

[On the letterhead of the Chargor]

To: Landlord

• [Date]

Dear Sirs,

Re: • [Property Portfolio]

**Security Agreement dated • between • [Chargor]
and • [Lender] (the “Security Agreement”)**

We refer to the lease dated • and made between • and • (the “Lease”).

This letter constitutes notice to you that under the Security Agreement we have assigned by way of security to • [Lender] all our rights under the Lease.

The instructions in this letter apply until you receive notice from the Lender to the contrary and notwithstanding any previous instructions given by us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Lender.

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

Please confirm your agreement to the above by signing the attached acknowledgement and returning it to the Lender at • [Address] with a copy to ourselves.

Yours faithfully

For • Chargor

Part 2
Acknowledgement of Landlord

To: • [Lender]

Attention: •

• [Date]

Dear Sirs,

Re: • [Property Portfolio]

Security Agreement dated • between • [Chargor]
and • [Lender] (the “Security Agreement”)

We confirm receipt from • [Chargor] (the “Chargor”) of a notice dated • (the “Notice”) in relation to the Lease (as defined in the Notice).

We accept the instructions contained in the Notice.

We confirm that we have not received any notice that any third party has or will have any right or interest in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Chargor under or in respect of the Lease (as defined in the Notice).

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

Yours faithfully

For • [Landlord]

SCHEDULE 4

FORMS OF LETTER FOR BANK

Part 1 Notice to Bank

[On the letterhead of the Chargor]

To: • [Bank]

• [Date]

Dear Sirs,

Security Agreement dated • between • [Chargor] and • [Lender] (the "Security Agreement")

This letter constitutes notice to you that under the Security Agreement we have charged (by way of a first fixed charge) in favour of • [Lender] (the "Lender") all our rights in respect of any amount standing to the credit of any account maintained by us with you (the "Accounts").

We irrevocably instruct and authorise you to:

- (a) disclose to the Lender any information relating to any Account requested from you by the Lender;
- (b) comply with the terms of any written notice or instruction relating to any Account received by you from the Lender; and
- (c) pay or release any sum standing to the credit of any Account in accordance with the written instructions of the Lender.

We acknowledge that you may comply with the instructions in this letter without any further permission from us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Lender.

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

Please confirm your agreement to the above by sending the attached acknowledgement to the Lender at ● with a copy to ourselves.

Yours faithfully

(Authorised Signatory)

● [Chargor]

Part 2
Acknowledgement of Banks

[On the letterhead of the Bank]

To: • [Lender]

Copy: • [Chargor]

• [Date]

Dear Sirs,

Security Agreement dated • between • [Chargor]
and • [Lender] (the “Security Agreement”)

We confirm receipt from • [Chargor] (the “Chargor”) of a notice dated • of a charge upon the terms of the Security Agreement over all the rights of the Chargor to any amount standing to the credit of any of the Chargor’s accounts with us (the “Accounts”).

We confirm that we:

- (a) accept the instructions contained in the notice and agree to comply with the notice;
- (b) have not received notice of the interest of any third party in any Account;
- (c) have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of any Account; and
- (d) will not permit any amount to be withdrawn from any Account without your prior written consent.

The Accounts maintained with us are:

[Specify accounts and account numbers]

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

Yours faithfully,

(Authorised signatory)

• [Bank]

SCHEDULE 5

FORMS OF LETTER FOR RELEVANT CONTRACTS

Part 1

Notice to Counterparty

[On the letterhead of the Chargor]

To: • [Counterparty]

• [Date]

Dear Sirs,

**Security Agreement dated • between • [Chargor]
and • [Lender] (the “Security Agreement”)**

This letter constitutes notice to you that under the Security Agreement we have assigned by way of security to • [Lender] (the “Lender”) all our rights in respect of [insert details of Contract] (the “Contract”).

We confirm that:

- (a) we will remain liable under the Contract to perform all the obligations assumed by us under the Contract; and
- (b) none of the Lender, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Contract.

We will also remain entitled to exercise all our rights, powers and discretions under the Contract, and you should continue to give notices under the Contract to us, unless and until you receive notice from the Lender to the contrary stating that the security has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given to, the Lender or as it directs.

Please note that we have agreed that we will not amend or waive any provision of or terminate the Contract without the prior consent of the Lender.

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

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Lender at • [Address].

Yours faithfully

(Authorised signatory)

•[Chargor]

SIGNATORIES

CHARGOR

Executed and delivered as a Deed by
KENT AIRPORT LIMITED acting
by:

CHARLES BUCHANAN

Print Full Name



Director

In the presence of:

TERESA LEGGETT

Print Full Name



Witness

Address

5 QUEENS ROAD

RAMSGATE KENT

CT11 8DZ

LENDER

Executed and delivered as a Deed by
MANSTON SKYPORT LIMITED
acting by:

Print Full Name

Authorised Signatory

In the presence of:

Print Full Name

Witness

Address

