



Registration of a Charge

Company Name: **AQUAVISTA WATERSIDES LTD**

Company Number: **04930453**



Received for filing in Electronic Format on the: **14/12/2021**

XAJC08M1

Details of Charge

Date of creation: **01/12/2021**

Charge code: **0493 0453 0004**

Persons entitled: **LDC (MANAGERS) LIMITED AS SECURITY TRUSTEE FOR THE SECURED PARTIES**

Brief description: **1. THE FREEHOLD LAND KNOWN AS OR BEING WHITE BEAR MARINA, PARK ROAD, ADLINGTON, CHORLEY REGISTERED AT HMLR WITH TITLE NUMBER LA950706; 2. THE LEASEHOLD LAND KNOWN AS OR BEING PRIORY MARINA BARKERS LANE BEDFORD REGISTERED AT HMLR WITH TITLE NUMBER BD214181; FOR MORE DETAILS PLEASE REFER TO THE INSTRUMENT.**

Contains fixed charge(s).

Contains floating charge(s) (floating charge covers all the property or undertaking of the company).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC**

**COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION
FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

GATELEY PLC



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 4930453

Charge code: 0493 0453 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 1st December 2021 and created by AQUAVISTA WATERSIDES LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 14th December 2021 .

Given at Companies House, Cardiff on 14th December 2021

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

EXECUTION VERSION

DATED 1 DECEMBER 2021

- (1) AQUAVISTA WATERSIDES TOPCO LTD AND THE OTHER COMPANIES LISTED IN SCHEDULE 1
- (2) LDC (MANAGERS) LIMITED (AS SECURITY TRUSTEE)

GUARANTEE AND DEBENTURE

The terms of this Guarantee and Debenture are subject to the Senior Intercreditor Agreement and the Junior Intercreditor Agreement (each as defined herein)

CONTENTS

DEFINITIONS AND INTERPRETATION.....	3
COVENANT TO PAY	12
SECURITY ASSETS	13
NATURE OF SECURITY.....	17
FURTHER ASSURANCES AND PROTECTION OF PRIORITY	18
REPRESENTATIONS AND WARRANTIES	22
UNDERTAKINGS	24
ENFORCEMENT AND POWERS OF THE SECURITY TRUSTEE.....	28
APPOINTMENT OF A RECEIVER OR ADMINISTRATOR	30
POWERS OF A RECEIVER.....	30
APPLICATION OF MONIES.....	31
PROTECTION OF THIRD PARTIES	32
PROTECTION OF THE SECURED PARTIES.....	32
CUMULATIVE POWERS AND AVOIDANCE OF PAYMENTS	32
RULING-OFF ACCOUNTS	33
POWER OF ATTORNEY	33
DELEGATION	33
REDEMPTION OF PRIOR CHARGES	33
20. COSTS, EXPENSES AND INDEMNITIES	34
21. PAYMENTS.....	35
22. CURRENCY	35
23. SET-OFF BY SECURED PARTY	36
28. GOVERNING LAW.....	37
JURISDICTION	37
SCHEDULE 1 – THE CHARGORS.....	38
SCHEDULE 2 - SECURITY ASSETS	39
PART 1 - THE PROPERTY	39
PART 2 - INTELLECTUAL PROPERTY	41
PART 3 - SHARES.....	42
PART 4 - ASSIGNED CONTRACTS	43
SCHEDULE 3 – LEASE DOCUMENTS	44
PART 1 - FORM OF NOTICE OF ASSIGNMENT	44
PART 2 - FORM OF ACKNOWLEDGEMENT	46
SCHEDULE 4 – RELEVANT AGREEMENTS – FORM OF NOTICE OF ASSIGNMENT AND ACKNOWLEDGEMENT	47
SCHEDULE 5 – BLOCKED ACCOUNTS	49
PART 1 - FORM OF NOTICE OF ASSIGNMENT	49
PART 2 - FORM OF ACKNOWLEDGEMENT	50
SCHEDULE 6 – OTHER ACCOUNTS.....	51

PART 1 - FORM OF NOTICE OF ASSIGNMENT	51
PART 2 - FORM OF ACKNOWLEDGEMENT	52
SCHEDULE 7 – INSURANCES – FORM OF NOTICE OF ASSIGNMENT AND ACKNOWLEDGEMENT	53
SCHEDULE 8 – SECURITY ACCESSION DEED	55
PART 1 – PROPERTY	60
PART 2 - INTELLECTUAL PROPERTY RIGHTS	60
PART 3 - SHARES	60
PART 4 - ASSIGNED CONTRACTS	60
SCHEDULE 9 - POWERS OF RECEIVER	63
SCHEDULE 10 – FORM OF SUPPLEMENTAL LEGAL CHARGE	65

This Deed is made on

1 December

2021

Between:

- (1) THE COMPANIES LISTED IN SCHEDULE 1 (the **Original Chargors**); and
- (2) **LDC (MANAGERS) LIMITED** a company incorporated and registered in England and Wales (registered number 02495714) whose registered office is at One Vine Street, London, W1J 0AH as security trustee for the Secured Parties (the **Security Trustee**).

This Deed witnesses as follows:

DEFINITIONS AND INTERPRETATION

1.1 In this Deed the following definitions apply:

A1 Instrument

the instrument dated 14 December 2018 executed by PBL (as amended by a an amendment deed dated on or around the date of this Deed) and constituting the A1 Loan Notes;

A1 Loan Notes

the £11,178,500 fixed rate secured A1 loan notes of PBL constituted by the A1 Instrument;

A4 Instrument

the instrument dated on or around the date of this Deed executed by the Parent and constituting the A4 Loan Notes;

A4 Loan Notes

the £8,447,531 fixed rate secured A4 loan notes 2029 of the Parent constituted by the A4 Instrument;

Administrator

a person appointed under Schedule B1 to the Insolvency Act 1986 to manage a Chargor's affairs, business and property;

Assigned Contract

- (a) each contract specified in Part 4 (*Assigned Contracts*) of Schedule 2 (*Security Assets*);
- (b) (with effect from the date of the relevant Security Accession Deed or Supplemental Legal Charge) each contract specified as an Assigned Contract in a Security Accession Deed or Supplemental Legal Charge (if any); and
- (c) any other contract designated as an 'Assigned Contract' by the Security Trustee and the relevant Chargor in writing;

B1 Instrument

the instrument dated 14 December 2018 executed by PBL (as amended by an amendment deed dated on or around the date of this Deed) and constituting the B1 Loan Notes;

B1 Loan Notes

the £70,618.50 fixed rate secured B1 loan notes of PBL constituted by the B1 Loan Note Instrument;

B4 Instrument

the instrument dated on or around the date of this Deed executed by the Parent and constituting the B4 Loan Notes;

B4 Loan Notes

the £420,331 fixed rate secured B4 loan notes of the Parent constituted by the B4 Loan Note Instrument;

Blocked Accounts

- (a) any bank account designated as a 'Blocked Account' by the Security Trustee and the relevant Chargor in writing; and
- (b) all monies standing to the credit of any account referred to in paragraph (a) and all Related Rights in respect of such account or the monies standing to the credit thereof,

(including any replacement account or sub-division or sub-account of each such account);

Charged Agreement

any present or future agreement to which a Chargor is a party (or any present or future agreement in which a Chargor has a right, title or interest) which does not prohibit, either absolutely or conditionally (including requiring the consent of any third party), the relevant Chargor from assigning its rights under, or creating a charge over its interest in, that agreement;

Chargors

the Original Chargors and any person that executes and delivers a Security Accession Deed in favour of the Security Trustee after the date of this Deed;

Claim

any action, proceeding, right, claim or demand of any nature, whether actual or contingent or otherwise;

Consent Property

has the meaning set out in clause 4.7.1;

Debts

- (a) all monies or liabilities due, owing or incurred by a person to the Chargors at present or in the future, in any manner, whether actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety; and
- (b) any Related Rights in respect thereof;

Default Rate

fourteen percent (14%) per annum;

Delegate

any delegate, agent, attorney or co-trustee appointed by the Security Trustee;

Derivative Asset

all allotments, rights, benefits and advantages (including all voting rights) at any time accruing, offered or arising in respect of or incidental to any asset and all money or property accruing or offered at any time by way of conversion, redemption, bonus, preference, option, dividend, distribution, interest or otherwise in respect of an asset;

Environment

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

- (a) air (including air within natural or man-made structures, whether above or below ground);
- (b) water (including territorial, coastal and inland waters, water under or within land and water in drains and sewers); and
- (c) land (including land under water);

Environmental Law

any applicable law or regulation which relates to:

- (a) the pollution or protection of the Environment;
- (b) the conditions of the workplace; or
- (c) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment, including any waste;

Excluded Property

the leasehold property owned by Aquavista Watersides Ltd and known as Ripon Marina, Ripon, North Yorkshire with title number NYK458351;

Events of Default

an Event of Default as defined in each and/or any of the Loan Note Instruments;

Floating Charge Asset

an asset charged under sub-clause 4.3 (*Floating charge*) of this Deed or sub-clause 6.1.4 (*Security*) of a Security Accession Deed;

Guarantee

each guarantee, indemnity and undertaking given under clause 2 of this Deed or in any Security Accession Deed;

Insurance Proceeds

all monies from time to time payable to a Chargor under or pursuant to the Insurances, including the refund of any premium;

Insurances

all policies of insurance either now or in the future held by, or written in favour of, a Chargor or in which it is otherwise interested, but excluding any third party liability or public liability insurance and any directors' and officers' insurance;

Intellectual Property Rights

in relation to a Chargor:

- (a) all of the assets (if any) specified in Part 2 (*Intellectual Property Rights*) of Schedule 2 (*Security Assets*);
- (b) all of the assets (if any) described in Part 2 (*Intellectual Property Rights*) of the schedule to each Security Accession Deed (if any);
- (c) any asset described as Intellectual Property Rights in any Supplemental Legal Charge;
- (d) any patents, trademarks, service marks, designs, business names, copyrights, database rights, computer software, design rights, domain names, moral rights, inventions, confidential information, trade secrets, knowhow and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered;
- (e) the benefit of all applications and rights to use those assets described in paragraphs (a) to (c) (inclusive) of a Chargor (which may now or in the future subsist); and
- (f) any Related Rights arising in relation to any of the assets described in paragraphs (a) to (e) (inclusive);

Instructing group

Instructing Group has the same meaning set out in the Loan Note Security Trust Deed;

Investment

any present or future stock, share, debenture, loan stock, interest in any investment fund and any other present or future security (whether or not marketable) whether owned directly or by or to the order of a Chargor or by any trustee, fiduciary or clearance system on its behalf, including any Derivative Asset and any Related Rights in respect of any of the foregoing;

Investment Agreement

the investment agreement dated on or about the date of this Deed between, amongst others, (1) the Executives (defined therein), (2) the Non-Executives (defined therein), (3) Sameihana Limited (4) the Parent, (5) The Security Trustee, (6) LDC VII LP, (7) LDC Parallel VI LP, (8) LDC Equity VII LP, (9) LDC X LP, (10) Parallel X LP;

Investor Instruments

each and/or any of the A1 Investment and the A4 Investment;

Investor Loan Notes

each and/or any of the A1 Loan Notes and the A4 Loan Notes;

Junior Intercreditor Agreement

the intercreditor agreement dated 14 December 2019 as amended and restated pursuant to an amendment and restatement deed dated on or about the date of this Deed and made between amongst others, (1) the Security Trustee, (2) the Parent and (3) each Original Chargor;

Loan Note Certificate

each certificate in respect of the Loan Notes;

Loan Note Instruments

each and/or any of the Investor Instruments and the Manager Instruments;

Loan Notes

the Investor Loan Notes and the Manager Loan Notes;

Loan Note Security Trust Deed

the security trust deed dated 14 December 2019 as amended and restated pursuant to an amendment and restatement deed dated on or about the date of this Deed and entered into between (1) the Security Trustee (2) the Parent (3) PBL (2) the Noteholders and (3) the Chargors;

Losses

any loss, cost, damage, award, charge, penalty, fine, expense or any other liability which any of the Secured Parties have incurred or suffered, or may, directly or indirectly, incur or suffer, including legal costs and any VAT or similar tax on any of those;

LPA

the Law of Property Act 1925;

Lease Document

- (a) any headlease of a Property;
- (b) any occupational lease in place at a Property; and
- (c) any agreement to grant an occupational lease for all or part of a Property;

Losses

any lost, cost, damage, award, charge, penalty, fine, expense or any other liability which any of the Secured Parties have incurred or suffered, or may, directly or indirectly, incur or suffer, including legal costs and any VAT or similar tax on any of those;

LPA

the Law of Property Act 1925;

Manager Instruments

each and/or any of the B1 Instrument and the B4 Instrument;

Manager Loan Notes

each and/or any of the B1 Loan Notes and the B4 Loan Notes;

Material Intellectual Property

any Intellectual Property which is material in the context of the operation and/or running of the business carried out by a Chargor;

Material Property

means any property with a capital value of £600,000 or any property designated as a Material Property by the Security Trustee and a Chargor;

Noteholders

the holders of the Loan Notes from time to time;

Other Accounts

all the Chargors' present and future accounts (other than a Blocked Account) with any bank or other person, all monies standing to the credit of each such account and all Related Rights in respect of any such account;

Parent

Aquavista Watersides Topco Limited a company incorporated and registered in England and Wales (registered number 13771013) whose registered office is at Sawley Marina, Long Eaton, Nottinghamshire, England, NG10 3AE;

Party

a party to this Deed;

PBL

Project Belize Limited a company incorporated and registered in England and Wales (registered number 11579323) whose registered office is at Sawley Marina, Long Eaton, Nottinghamshire, England, NG10 3AE;

Permitted Disposal

- (a) a disposal that is expressly permitted pursuant to the terms of the Transaction Documents and/or the Investment Agreement;
- (b) a distressed disposal (however so described) made in accordance with the terms of any Intercreditor Agreement; and
- (c) a disposal that is not prohibited by the terms of any Transaction Document of any Security Asset charged by way of uncrystallised floating charge only for market value in the ordinary course of business;

Permitted Security

- (a) liens and rights of set-off securing obligations which are not overdue beyond their standard payment dates, arising by operation of law in the ordinary and usual course of trading over property other than land;
- (b) any Security Interest arising out of title retention provisions in a supplier's standard conditions of supply of goods acquired in the ordinary and usual course of trading;
- (c) any Security Interest granted in terms of the Transaction Documents or with the prior written approval of the Security Trustee or in favour of the Security Trustee; or

- (d) any Security Interest granted under or pursuant to the Senior Security Documents;

Plant and Machinery

all plant and machinery, equipment, fittings, installations and apparatus, tools, motor vehicles and all other similar assets (other than any assets that are deemed by law to be immoveable property), wherever they are situated, which are now, or at any time after the date of this Deed become, the property of a Chargor and the benefit of all contracts, licences, warranties, maintenance contracts relating to them and any renewals and replacements of them;

Property

- (a) all of the freehold and/or leasehold property of each Chargor described in Part 1 (*The Property*) of Schedule 2 (*Security Assets*), Part 1 (*The Property*) of the schedule to each Security Accession Deed or as described in any Supplemental Legal Charge (if any);
- (b) all present and future freehold and leasehold property or immovable property of each Chargor situated in England and Wales (other than the property referred to in paragraph (a));
- (c) any buildings, fixtures, fittings, plant and machinery from time to time on or forming part of the property referred to in paragraphs (a) and (b); and
- (d) any Related Rights arising in relation to any of the assets described in paragraphs (a) to (c) (inclusive),

and **Properties** shall be construed accordingly;

Receiver

a receiver or receiver and manager or administrative receiver of any Chargor or of the whole or any part of the Security Assets;

Related Rights

where used in relation to an asset, the following:

- (a) the proceeds of sale and/or other realisation of that asset (or any part thereof or interest therein);
- (b) all monies, amounts and proceeds paid or payable in respect of (or derived from) that asset (whether as income, capital or otherwise);
- (c) in the case of an Investment or Shares, all shares, investments or other assets derived from that Investment or Shares;
- (d) all rights in respect of, derived from or incidental to that asset (including all rights to make any demand or claim);
- (e) the benefit of any judgment or order to pay a sum of money and all rights of enforcement in respect of that asset;
- (f) all Security, Authorisations, options, agreements, rights, easements, benefits, indemnities, guarantees, warranties or covenants for title in respect of such asset; and
- (g) all rights under any lease, licence or agreement for lease, sale or use in respect of such asset;

Relevant Agreement

- (a) each Assigned Contract;
- (b) any document evidencing any inter-company loans from time to time;

Secured Liabilities

- (a) all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity) of any Chargor to any Secured Party under the Transaction Documents; and
- (b) any amounts which would be included in paragraph (a) above but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings;

Secured Parties

- (a) the Security Trustee;
- (b) the Noteholders; and
- (c) any Receiver or Delegate;

Security Document

has the meaning given to that expression in the Loan Note Security Trust Deed;

Security Accession Deed

a document substantially in the form set out in schedule 8 (*Security Accession Deed*) by which a person will become a party to this Deed as a Chargor;

Security Assets

- (a) in respect of any Chargor, the assets mortgaged, charged or assigned from time to time by way of security to the Security Trustee by this Deed or any Security Accession Deed or any Supplemental Legal Charge; and
- (b) any assets held on trust by the Chargors for the Security Trustee;

Security Interest

a mortgage, charge, pledge, trust, assignment by way of security, lien, hypothecation or other encumbrance, arrangement or security interest securing any obligation of any person or any other agreement or arrangement having a similar effect or any title retention rights or set-off rights created by agreement;

Security Period

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;

Senior Discharge Date

the date on which Aether Financial Services UK Limited as security agent confirms that the secured liabilities as defined in and secured pursuant to the Senior Security Documents have unconditionally and irrevocably been paid and discharged in full;

Senior Intercreditor Agreement

the intercreditor agreement dated on or about the date of this Deed and made between Aether Financial Services UK Limited as security agent, the Security Trustee and certain of the Chargors;

Senior Security Documents

- (a) the debenture dated on or about the date of this Deed and made between Aether Financial Services UK Limited as security agent and certain of the Chargors;
- (b) the share charge dated on or about the date of this Deed and made between Aether Financial Services UK Limited as security agent and PBL;

Shares

in respect of a Chargor,

- (a) the shares described in Part 3 (*Shares*) of Schedule 2 (*Security Assets*), Part 3 (*Shares*) of the schedule to each Security Accession Deed and the relevant schedule of any Supplemental Legal Charge (if any);
- (b) all shares present and future held by it in any company from time to time whether certificated or uncertificated, physical or dematerialised, registered or unregistered and whether held directly by or to the order of the relevant Chargor or by a trustee, custodian, fiduciary, clearance system or nominee on its behalf (including all rights against any such trustee, custodian, fiduciary, clearance system or nominee);
- (c) all Derivative Assets in relation to the shares referred to in paragraph (a) and (b); and
- (d) all Related Rights in respect of paragraphs (a) to (c) (inclusive).

Supplemental Legal Charge

a document substantially in the form set out in schedule 10 (*Supplemental Legal Charge*);

Transaction Documents

- (a) this Deed;
- (b) the Loan Note Security Trust Deed;
- (c) each other Security Document;
- (d) each Security Accession Deed;
- (e) each Loan Note Certificate;
- (f) each Loan Note Instrument; and
- (g) any other document designated as such by the Security Trustee and the Chargors; and

VAT

value added tax provided for in the Value Added Tax Act 1994 and any other Tax of a similar nature.

1.2 In this Deed, unless stated otherwise, a reference to:

- 1.2.1 a clause or schedule is to a clause or schedule to this Deed;
- 1.2.2 a paragraph is to a paragraph of a schedule;
- 1.2.3 a provision of law includes that provision as replaced, modified or re-enacted from time to time and any secondary legislation made under that statutory provision from time to time, in each case whether before or after the date of this Deed;
- 1.2.4 a person includes any individual, firm, company, corporation, government, state or agency of state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
- 1.2.5 a "Party", a "Chargor", the "Security Trustee", a "Noteholder", a "Secured Party" or any other person includes its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Transaction Documents and, in the case of the Security Trustee, any person for the time being appointed as Security Trustee under the Transaction Documents;
- 1.2.6 "disposal" or "dispose" includes any sale, transfer, assignment, grant, lease, licence, declaration of trust or other disposal, whether voluntary or involuntary;
- 1.2.7 a company includes any company, corporation or other body corporate, wherever and however incorporated or established;
- 1.2.8 writing, subject to clause 26, includes any mode of reproducing words in a legible and non-transitory form;

- 1.2.9 this Deed or any provision of this Deed or any other agreement, document or instrument is to this Deed, that provision or that agreement, document or instrument as amended, novated, supplemented, extended, restated or replaced; and
- 1.2.10 a time of day is to London time.
- 1.3 The contents table and headings are for convenience only and do not affect interpretation of this Deed.
- 1.4 Words in the singular include the plural (and *vice versa*) and gender specific words include every gender.
- 1.5 The schedules form part of this Deed as if set out in the body of this Deed.
- 1.6 The words "other", "include", "including" and "in particular" (or any similar words or expression) do not limit the generality of any preceding words and any words which follow them will not be limited by any preceding words where a wider interpretation is possible.
- 1.7 In this Deed, unless the context requires otherwise, references to :
- 1.7.1 "this Security" is to any Security Interest created or intended or expressed to be created by this Deed;
- 1.7.2 "this Deed" includes any Security Accession Deed;
- 1.7.3 a Security Asset includes the proceeds of that Security Asset;
- 1.7.4 any rights in respect of an asset includes:
- (a) all amounts and proceeds paid or payable;
- (b) all rights to make any demand or claim; and
- (c) all powers, remedies, causes of action, security, guarantees and indemnities.
- in each case in respect of or derived from that asset.
- 1.8 "£" and "sterling" represent lawful currency of the United Kingdom.
- 1.9 **Law of Property (Miscellaneous Provisions) Act 1989**
- To the extent necessary for any agreement for the disposition of the Security Assets in this Deed to be a valid agreement under section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Loan Note Instruments and the other Transaction Document and of any side letters between the parties to this Deed are incorporated into this Deed.
- 1.10 **Implied covenants for title**
- The obligations of the Chargors under this Deed shall be in addition to the covenants for title deemed to be included in this Deed by virtue of Part I of the Law of Property (Miscellaneous Provisions) Act 1994.
- 1.11 **Intercreditor Agreements**
- 1.11.1 This Deed is subject to the terms of the Senior Intercreditor Agreement and the Junior Intercreditor Agreement.
- 1.11.2 Until the Senior Discharge Date where there is any conflict or inconsistency between the terms the Senior Intercreditor Agreement and the Junior Intercreditor Agreement, the terms of the Senior Intercreditor Agreement shall prevail, provided always that nothing contained in the Senior Intercreditor Agreement shall or shall seek to regulate the priority of the liabilities owing to the Secured Parties hereunder or the security granted in respect of such liabilities as set out in the Junior Intercreditor Agreement as between the Secured Parties themselves.

1.12 Present and future assets

- 1.12.1 A reference in this Deed to any Security Assets or other asset includes, unless the contrary intention appears, present and future Security Assets and other assets.
- 1.12.2 The absence of or incomplete details of any Security Assets in any Schedule shall not affect the validity or enforceability of any Security under this Deed.

1.13 Fixed security

Clause 4.1 (*Fixed charges*) shall be construed as creating a separate and distinct mortgage, fixed charge or assignment by way of security over each relevant asset within any particular class of assets defined under this Deed and the failure to create an effective mortgage, fixed charge or assignment by way of security (whether arising out of this Deed or any act or omission by any party) on any one asset shall not affect the nature of any mortgage, fixed charge or assignment by way of security imposed on any other asset whether within that same class of assets or not.

1.14 No obligations

Save as expressly set out in this Deed, the Security Trustee shall not be under any obligation in relation to the Security Assets as a consequence of this Deed and each Chargor shall at all times remain liable to perform all obligations expressed to be assumed by it in respect of the Security Assets.

1.15 Effect as a Deed

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

1.16 Trusts

- 1.16.1 The Security Trustee holds the benefit of this Deed on trust for the Secured Parties in accordance with the terms of the Security Trust Deed.
- 1.16.2 The perpetuity period for any trusts created by this Deed is 125 years.

1.17 Transaction Document

This Deed is a Transaction Document.

GUARANTEE AND INDEMNITY

Each Chargor irrevocably and unconditionally jointly and severally:

- 2.1 guarantees to each Secured Party punctual performance by each other Chargor of all that other Chargor's obligations under the Transaction Documents;
- 2.2 undertakes with each Secured Party that whenever another Chargor does not pay any amount when due under, or in connection with, any Transaction Document, that Chargor shall immediately on demand pay that amount as if it was the principal obligor; and
- 2.3 agrees with each Secured Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Secured Party immediately on demand against any cost, loss or liability it incurs as a result of a Chargor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Transaction Document on the date when it would have been due. The amount payable by a Chargor under this indemnity will not exceed the amount it would have had to pay under this clause 2 if the amount claimed had been recoverable on the basis of a guarantee.

COVENANT TO PAY

Each Chargor as primary obligor covenants with the Security Trustee (as trustee for the Secured Parties) that it will on demand pay and discharge to the Security Trustee the Secured Liabilities when the same fall due for payment and discharge.

SECURITY ASSETS

4.1 Fixed charges

Each Chargor, as security for the payment of the Secured Liabilities, charges in favour of the Security Trustee, with full title guarantee, the following assets, from time to time owned by it or in which it has an interest:

- 4.1.1 by way of first legal mortgage, each Property identified in paragraph (a) of such definition (other than any Excluded Property); and
- 4.1.2 by way of first fixed charge:
 - (a) each Property (other than to the extent effectively mortgaged under sub-clause 4.1.1 above or any Excluded Property;)
 - (b) all Plant and Machinery;
 - (c) all Shares;
 - (d) all Debts;
 - (e) all Other Accounts;
 - (f) all Investments;
 - (g) all Intellectual Property Rights;
 - (h) any VAT which it is entitled to recover and any other tax refund, rebate or repayment and any sums so received;
 - (i) any Charged Agreement;
 - (j) its goodwill and uncalled capital;
 - (k) the benefit of all Authorisations held or utilised by it in connection with its business or the use of any of its assets and the right to recover and receive compensation payable in respect of any of them;
 - (l) if not effectively assigned by way of security pursuant to sub-clause 4.2(*Security assignment*), all its rights and interests in (and claims under) the assets described in sub-clause 4.2(*Security assignment*); and
 - (m) all Related Rights in respect of each of the above.

4.2 Security assignment

As security for the payment of the Secured Liabilities, each Chargor assigns absolutely, by way of security, with full title guarantee to the Security Trustee all its rights, title and interest in:

- 4.2.1 the Insurance Proceeds;
- 4.2.2 any proceeds of sale of its Property;
- 4.2.3 the Lease Documents;
- 4.2.4 each Relevant Agreement to which it is a party;
- 4.2.5 each Blocked Account, any amount standing to the credit of each Blocked Account and the debt represented by each Blocked Account; and
- 4.2.6 on the occurrence of an Event of Default, all Related Rights in respect of each of the above.

Notwithstanding the other terms of this clause 4.2 prior to the occurrence of an Event of Default, each Chargor may, subject to the other terms of the Transaction Documents, continue to execute all and any of its rights under and in connection with the Relevant Agreements.

4.3 Floating charge

- 4.3.1 As further security for the payment of the Secured Liabilities, each Chargor charges with full title guarantee in favour of the Security Trustee by way of first floating charge all its undertaking and assets (wherever located and whether

present or future) other than those assets which are effectively charged by way of first fixed charge or legal mortgage under sub-clause 4.1 (*Fixed charges*) or which are effectively assigned by way of security under sub-clause 4.2 (*Security assignment*).

4.3.2 This Deed contains a qualifying floating charge and paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to the floating charge created by this Deed.

4.4 Conversion of floating charge by notice

If:

4.4.1 an Event of Default has occurred; or

4.4.2 the Security Trustee is of the view (acting reasonably) that any legal process or execution is being enforced against any Floating Charge Asset or that any Floating Charge Asset is in danger of being seized, sold or otherwise in jeopardy,

the Security Trustee may at any time, by notice in writing to each Chargor, convert the floating charge created under this Deed into a fixed charge as regards those assets which it specifies in that notice (in the case of paragraph 4.4.2 (above) being the Floating Charge Asset subject to damage or being seized, sold or otherwise in jeopardy). Each Chargor shall as soon as reasonably practicable following request by the Security Trustee execute a fixed charge or legal or equitable assignment over those assets in such form as the Security Trustee may require.

4.5 Automatic conversion of floating charge

If, without the prior written consent of the Security Trustee or as expressly permitted under the terms of any Transaction Document:

4.5.1 a Chargor creates any Security (other than Permitted Security) over all or any of the Security Assets or attempts to do so;

4.5.2 any person levies or attempts to levy any distress, attachment, execution or other legal process against any of the Security Assets;

4.5.3 a resolution is passed or an order is made for the winding up, dissolution, administration or other reorganisation of a Chargor; or

4.5.4 any steps are taken for the appointment of, or notice is given of intention to appoint, or a petition is filed or application is made, or a competent court makes an order for the appointment of an administrator, in relation to a Chargor,

then the floating charge created by this Deed over the Floating Charge Assets of the relevant Chargor (being in the case of clauses 4.5.1 and 4.5.2 above the Floating Charge Asset subject to the circumstances described in the relevant paragraph) will automatically and immediately, without notice, be converted into a fixed charge as soon as such event occurs.

4.6 Small company moratorium

4.6.1 Notwithstanding any other provision of this Deed, the obtaining of a moratorium under section 1A of the Insolvency Act 1986, or anything done with a view to obtaining such a moratorium (including any preliminary decision or investigation), shall not be an event causing any floating charge created by this Deed to crystallise or causing restrictions which would not otherwise apply to be imposed on the disposal of any asset by a Chargor or a ground for the appointment of a Receiver.

4.6.2 Clause 4.6.1 does not apply in respect of any floating charge referred to in subsection (4) of section A52 of Part A1 of the Insolvency Act 1986.

4.7 Leases requiring third party consent to charging

4.7.1 There shall be excluded from the charge created by Clause 4.1.2(a) (*Fixed Charges*) and from the operation of Clause 6 (*Further assurances and protection of priority*) any leasehold Property held by a Chargor under a lease which does not permit the relevant Chargor creating any charge over its leasehold interest in

that Property (including, without limitation, without the consent of a third party) (each a "**Consent Property**") until the relevant consent, condition or waiver has been satisfied or obtained.

4.7.2

Each relevant Chargor undertakes to:

(a) in respect of the property located at Sawley Marina, Long Eaton, Nottingham NG10 3AE (Title numbers LT273508, LT421602, LT320179, LT238571) (the **Sawley Property**):

- (i) apply for the approval of the Security Trustee of the relevant deed of covenant entered into by the Security Trustee within fourteen days of the date of this Deed; and
- (ii) use best endeavours for a period of up to 360 days from the date of agreement of the relevant deed of covenant by the Security Trustee to:
 - (I) approach the beneficiary of the title restriction to also obtain its consent to the form of the relevant deed of covenant;
 - (II) if any variations are proposed by the beneficiary of the title restriction, confirm those to the Security Trustee;
 - (III) on the assumption that the proposed variations are agreed by the Security Trustee, then request that the Security Trustee provides the relevant deed of covenant fully signed;
 - (IV) following receipt of the signed deed of covenant from the Security Trustee, apply to the beneficiary of the title restriction to obtain the relevant consent; and
 - (V) following the receipt of the consent, to register this Deed against the Sawley Property at the Land Registry,

and in each instance the relevant Chargor shall keep the Security Trustee informed of the progress of its negotiations and registration;

(b) in respect of the Clarence leasehold interest registered under title number HP801612 and Nottingham leasehold interest registered under title number NT130288:

- (i) apply for the relevant consent of the landlord to charge within fourteen days of the date on which the proprietor of the relevant leasehold interest executes and delivers a Security Accession Deed in favour of the Security Trustee (the **Accession Date**); and
- (ii) use best endeavours for a period of up to 360 days from the relevant Accession Date to:
 - (I) obtain that consent of the landlord; and
 - (II) register this Deed against the relevant Property at the Land Registry,

and in each instance the relevant Chargor shall keep the Security Trustee informed of the progress of its negotiations and registration;

(c) in respect of the Crick leasehold interests registered under title numbers NN282429 and NN280828 (the **Crick Property**):

- (i) apply for the relevant deed of variation and consent of the landlord to charge within fourteen days of on which the proprietor of the relevant leasehold interests executes and delivers a Security Accession Deed in favour of the Security Trustee (the **Accession Date**); and
- (ii) use reasonable endeavours for a period of up to 360 days from the relevant Accession Date to:

- (I) obtain the consent of the landlord; and
- (II) register this Deed against the Crick Property at the Land Registry,

and in each instance the relevant Chargor shall keep the Security Trustee informed of the progress of its negotiations and registration;

4.7.3 Forthwith upon receipt of the relevant waiver or consent, the relevant Consent Property shall stand charged to the Security Trustee under Clause 4.1 (*Fixed Charges*) and Clause 4.7.1 or Clause 4.7.2(c)(as applicable) shall cease to apply to such Consent Property. If required by the Security Trustee at any time following receipt of that waiver or consent, the relevant Chargor will as soon as reasonably practicable execute a Supplemental Legal Charge or such other documentation pursuant to Clause 6 (*Further assurances and protection of priority*) in such form as the Security Trustee shall reasonably require.

4.8 Intellectual Property Restricting Charging

4.8.1 There shall be excluded from the charge created by Clause 4.1 (*Fixed Charges*) and from the operation of Clause 6 (*Further assurances and protection of priority*) any Intellectual Property in which a Chargor has an interest under any licence or other agreement which either precludes absolutely or conditionally (including requiring the consent of any third party) that Chargor from creating any charge over its interest in that Intellectual Property (each an "**Excluded Intellectual Property**") until the relevant condition or waiver has been satisfied or obtained.

4.8.2 For each Excluded Intellectual Property, each relevant Chargor undertakes to apply for the relevant consent or waiver of prohibition or condition within fourteen days of the date of this Deed (or, as the case may be, the date of the acquisition of the relevant Excluded Intellectual Property) and, in respect of any licence or agreement which provides that the relevant third party will not unreasonably withhold its consent to charging, to use its reasonable endeavours for a period of up to 180 days to obtain such consent as soon as possible and to keep the Security Trustee informed of the progress of its negotiations.

4.8.3 Forthwith upon receipt of the relevant waiver or consent, the relevant formerly Excluded Intellectual Property shall stand charged to the Security Trustee under Clause 4.1 (*Fixed Charges*) and Clause 4.8.1 shall cease to apply to such formerly Excluded Intellectual Property. If required by the Security Trustee, at any time following receipt of that waiver or consent, the relevant Chargor will as soon as reasonably practicable execute a valid fixed charge or legal assignment in such form as the Security Trustee shall reasonably require.

4.9 Assigned Contract Restricting Charging

4.9.1 There shall be excluded from the security assignment created by Clause 4.2 (*Security assignment*) and the charge created by Clause 4.1 (*Fixed Charges*) and from the operation of Clause 6 (*Further assurances and protection of priority*) any contract with a Chargor which either precludes absolutely or conditionally (including requiring the consent of any third party) that Chargor from creating any charge over its interest in that contract (each an "**Excluded Contract**") until the relevant condition or waiver has been satisfied or obtained.

4.9.2 For each Excluded Contract, each relevant Chargor undertakes to apply for the relevant consent or waiver of prohibition or condition within fourteen days of the date of this Deed (or, as the case may be, the date of the acquisition of the relevant Excluded Contract) and, in respect of any Assigned Contract which provides that the relevant third party will not unreasonably withhold its consent to charging, to use its reasonable endeavours for a period of up to 180 days to obtain such consent as soon as possible and to keep the Security Trustee informed of the progress of its negotiations.

4.9.3 Forthwith upon receipt of the relevant waiver or consent, the relevant formerly Excluded Contract shall stand charged to the Security Trustee under Clause 4.1 (*Fixed Charges*) and Clause 4.9.1 shall cease to apply to such formerly Excluded

Contract. If required by the Security Trustee, at any time following receipt of that waiver or consent, the relevant Chargor will as soon as reasonably practicable execute a valid fixed charge or legal assignment in such form as the Security Trustee shall reasonably require.

NATURE OF SECURITY

5.1 Continuing security

- 5.1.1 The Security created by this Deed is to be a continuing security notwithstanding any intermediate payment or settlement of all or any part of the Secured Liabilities or any other matter or thing.
- 5.1.2 This Security is a continuing security and extends to the ultimate balance of the Secured Liabilities owing by the relevant Chargor regardless of any intermediate payment or discharge in whole or in part or any other matter or thing.
- 5.1.3 Until the Security Period has ended, the Security Trustee may refrain from applying or enforcing any other monies, Security or rights held or received by the Security Trustee in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Chargors shall not be entitled to the benefit of the same.

5.2 Non-merger of Security

- 5.2.1 This Security and the Guarantee are in addition to, and independent of, any other Security Interest, guarantee or indemnity that the Security Trustee holds at any time for any of the Secured Liabilities.
- 5.2.2 No prior Security Interest held by the Security Trustee over the Security Assets will merge with this Security or the Guarantee.
- 5.2.3 This Security and the Guarantee may be enforced against each Chargor without first having recourse to any other rights of any Secured Party.

5.3 Waiver of defences

- 5.3.1 The obligations of, and the Security created by, each Chargor under this Deed will not be affected by an act, omission, matter or thing which, but for this Clause 5.2.1, would reduce, release or prejudice any of its obligations under this Deed (without limitation and whether or not known to it or any Secured Party) including:
 - (a) any time, waiver or consent granted to, or composition with, any Chargor or other person;
 - (b) the release of any other Chargor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
 - (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Chargor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
 - (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Chargor or any other person;
 - (e) any amendment, novation, supplement, extension restatement (however fundamental and whether or not more onerous) or replacement of a Transaction Document or any other document or security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Transaction Document or other document or security;
 - (f) any unenforceability, illegality or invalidity of any obligation of any person under any Transaction Document or any other document or security; or

- (g) any insolvency or similar proceedings.

5.4 Intent

Without prejudice to the generality of clause 5.3, each Chargor expressly confirms that it intends that the Guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Transaction Documents and/or any facility or amount made available under any of the Transaction Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

5.5 Immediate recourse

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

5.6 Deferral of rights

5.6.1 Until the end of the Security Period, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under this Deed:

- (a) to be indemnified by a Chargor;
- (b) to claim any contribution from any other guarantor of any Chargor's obligations under this Deed;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under this Deed or of any other guarantee or Security taken pursuant to, or in connection with, this Deed by any Secured Party;
- (d) to bring legal or other proceedings for an order requiring any Chargor to make any payment, or perform any obligation, in respect of which any Guarantor has given a guarantee, undertaking or indemnity under any Transaction Document;
- (e) to exercise any right of set-off against any Chargor; and/or
- (f) to claim or prove as a creditor of any Chargor in competition with any Secured Party.

5.6.2 If any Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to any Secured Party by the Chargors under or in connection with this Deed to be repaid in full on trust for the Security Trustee and shall promptly pay or transfer the same to the Security Trustee or as the Security Trustee may direct for application in accordance with Clause 12 (*Application of monies*).

FURTHER ASSURANCES AND PROTECTION OF PRIORITY

6.1 General

6.1.1 Each Chargor shall promptly, at its own expense, take all such acts or action and execute all such documents as are necessary as the Security Trustee or a Receiver may reasonably specify (and in such form as the Security Trustee may reasonably require):

- (a) to create, perfect, protect and/or maintain the Security created or intended to be created under or evidenced by this Deed (which may include the execution by any Chargor of a Supplemental Legal Charge, Security Accession Deed, mortgage, charge or assignment or other Security over

all or any of the assets constituting, or intended to constitute, Security Assets) or for the exercise of any rights, powers and remedies of the Secured Parties provided by or pursuant to this Deed or by law.

- (b) to confer on the Security Trustee, or confer on the Secured Parties, Security over any property and assets of the Chargors, located in any jurisdiction, equivalent or similar to the Security intended to be conferred by or pursuant to this Deed and, pending the conferring of such Security, hold such assets upon trust (or in any manner required by the Security Trustee) for the Secured Parties; and/or
- (c) following the occurrence of an Event of Default to facilitate the realisation or enforcement of the assets which are, or are intended to be, the subject of the Security created, or intended to be created, by this Deed.

6.1.2 Each Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Secured Parties by or pursuant to this Deed.

6.2 HM Land Registry

6.2.1 In relation to each Property (other than Excluded Property) from time to time, each Chargor irrevocably consents to the Security Trustee applying to the Chief Land Registrar for a restriction to be entered on the Register of Title of all that Property (other than Excluded Property) (including any unregistered properties subject to compulsory first registration at the date of this Deed) on the prescribed Land Registry form and in the following or substantially similar terms:

"No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the debenture dated • in favour of LDC (Managers) Limited as security trustee referred to in the charges register."

6.2.2 In relation to each Property (other than Excluded Property), the Security Trustee may apply to the Chief Land Registrar for a notice to be entered onto the Register of Title of all that Property (other than Excluded Property) (including any unregistered properties subject to compulsory first registration at the date of this Deed) of an obligation to make further advances.

6.2.3 Each Chargor consents to an application being made to the Land Registry to enter an obligation to make further advances on the Charges Register of any registered land forming part of the Property (other than Excluded Property) (and any unregistered properties subject to compulsory first registration at the date of this Deed).

6.2.4 Each Chargor confirms that so far as any of its Property (other than Excluded Property) is unregistered, such land is not affected by any disclosable overriding interests within the meaning of the Land Registration Act 2002 or the Land Registration Rules 2003.

6.3 Future property

6.3.1 If any Chargor acquires (or intends to acquire) any freehold or leasehold or other interest in a Material Property after the date of this Deed it must:

- (a) notify the Security Trustee as soon as reasonably practicable but in any event within 5 Business Days of such acquisition or its intention to acquire such Material Property;
- (b) on written request by the Security Trustee and at the cost of the Chargor, execute and deliver to the Security Trustee, a charge by way of first legal mortgage of such Material Property and all Premises and Fixtures on such Material Property in favour of the Security Trustee by way of a Supplemental Legal Charge;

- (c) for each Material Property acquired that is a Consent Property, apply for the relevant consent or waiver of prohibition or condition within fourteen days of the date of the acquisition of the relevant Consent Property and:
 - (i) in respect of each Consent Property which provides that the relevant third party will not unreasonably withhold its consent to charging, use best endeavours for a period of up to 360 days to obtain that consent as soon as possible; and
 - (ii) in respect of all other Consent Property, use reasonable endeavours for a period of up to 360 days to obtain that consent as soon as possible
 and to keep the Security Trustee informed of the progress of its negotiations;
- (d) if the title to such freehold or leasehold Material Property is registered at the Land Registry or required to be so registered, give the Land Registry written notice of the Security; and
- (e) if applicable, ensure that the Security is correctly noted in the register of title against that title at the Land Registry.

6.4 Notices – Lease Documents

- 6.4.1 Subject to Clause 6.4.2 below, each Chargor which is a party to a Lease Document (other than a Lease Document as defined in paragraph (a) of that definition) shall if requested by the Security Trustee give notice in the form specified in Part 1 (Form of notice of assignment) of schedule 3 (Lease Documents) to each tenant (or other relevant person) under such Lease Document that the Chargor has assigned to the Security Trustee all its right, title and interest in and to such Lease Document (including the rental income and other monies payable under that Lease Document).
- 6.4.2 The relevant Chargor shall use reasonable endeavours for a period of 180 days to procure that the recipient of each such notice acknowledges that notice in substantially the form specified in Part 2 (Form of acknowledgement) of schedule 3 (Lease Documents).

6.5 Notices – Relevant Agreements

- 6.5.1 Each Chargor which is party to a Relevant Agreement shall if requested by the Security Trustee give notice in the form specified in schedule 4 (Relevant Agreements) to the other parties to each Relevant Agreement that the Chargor has assigned to the Security Trustee all its right, title and interest in that Relevant Agreement.
- 6.5.2 The relevant Chargor shall use reasonable endeavours for a period of 180 days to procure that the recipient of each such notice acknowledges that notice in substantially the form specified in schedule 4 (Relevant Agreements).

6.6 Notices – Insurances

- 6.6.1 Each Chargor which is an insured party under any Insurances shall if requested by the Security Trustee give notice in the form specified in schedule 7 (Insurances) to each insurer under the Insurance that the Chargor has assigned to the Security Trustee all its right, title and interest in that Insurance.
- 6.6.2 The relevant Chargor shall use reasonable endeavours for a period of 180 days to procure that the recipient of each such notice acknowledges that notice in substantially the form specified in schedule 7 (Insurances).

6.7 Notices - Blocked Accounts

- 6.7.1 Each Chargor holding a Blocked Account shall if requested by the Security Trustee or otherwise in accordance with Clause 6.7.1 below, give notice in the form specified in Part 1 (Form of notice of assignment or charge) of schedule 5 (Blocked Accounts) to the financial institution at which such Blocked Account is

held that the Chargor has created an assignment or, to the extent not effectively assigned, a first fixed charge over all its rights, title and interest in and to that Blocked Account and the balance standing to the credit of that Blocked Account.

- 6.7.2 The relevant Chargor shall give the notices referred to in Clause 6.7.1:
- (a) in the case of a Blocked Account held by that Chargor at the date of this Deed, within 5 Business Days of the date of this Deed; and
 - (b) in the case of a Blocked Account opened after the date of this Deed within 5 Business Days of that Blocked Account being opened.
- 6.7.3 The relevant Chargor shall procure that the recipient of each such notice acknowledges that notice in substantially the form specified in Part 2 (*Form of acknowledgement*) of schedule 5 (*Blocked Accounts*):
- (a) in the case of a Blocked Account held by that Chargor at the date of this Deed, within 10 Business Days of the date of this Deed; and
 - (b) in the case of a Blocked Account opened after the date of this Deed within 10 Business Days of it being opened

6.8 Notices – Other Accounts

- 6.8.1 Each Chargor holding an Other Account shall if requested by the Security Trustee, give notice in the form specified in Part 1 (*Form of notice of charge*) of schedule 6 (*Other Accounts*) to the financial institution at which such Other Account is held that the Chargor has created an assignment or, to the extent not effectively assigned, a first fixed charge over all its rights, title and interest in and to that Other Account and the balance standing to the credit of that Other Account.
- 6.8.2 The relevant Chargor shall use reasonable endeavours for a period of 180 days to procure that the recipient of each such notice acknowledges that notice substantially in the form specified in Part 2 (*Form of acknowledgement*) of schedule 6 (*Other Accounts*).

6.9 Shares and Investments

- 6.9.1 On:
- (a) the date of this Deed; and
 - (b) if later, within 90 days of the date of acquisition of any Secured Shares, Investments or Related Rights,
- each Chargor shall (subject to paragraph (c) below):
- (i) deliver to the Security Trustee all certificates of title and other documents of title or evidence of ownership in respect of its Shares or Investments and the Related Rights; and
 - (ii) deliver to the Security Trustee such transfer documents (executed with the transferee left blank) or any other documents as the Security Trustee may require or otherwise request in respect of those Shares, Investments and Related Rights.
- 6.9.2 Until the occurrence of an Event of Default, each Chargor shall be entitled to:
- (a) receive and retain all dividends, distributions and other monies receivable in respect of its Shares, Investments and Related Rights; and
 - (b) exercise all voting and other rights in relation to its Secured Shares and Investments.

- 6.9.3 On and from the occurrence of an Event of Default which is continuing, the Security Trustee may, at its discretion (in the name of the relevant Chargor or otherwise and without any further consent or authority from any Chargor):
- (a) receive and retain the dividends, distributions and other monies receivable in respect of its Shares, Investments and Related Rights and apply the dividends, distributions and other monies receivable in respect of its Shares, Investments and Related Rights in accordance with Clause 12 (*Application of monies*); and
 - (b) exercise (or refrain from exercising) all voting rights in relation to the Shares and Investments; and
 - (c) exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Shares or Investments in the manner and on the terms the Security Trustee thinks fit.
- 6.9.4 No Chargor shall exercise its voting and other rights in respect of its Shares, Investments and Related Rights in a manner which is reasonably likely to be prejudicial to the interests of the Secured Parties.
- 6.9.5 Each Chargor shall make all payments which may become due and payable in respect of any of its Shares, Investments and Related Rights. If a Chargor fails to make any such payments, the Security Trustee may but shall not be obliged to make such payment on behalf of the relevant Chargor. Any sums so paid by the Security Trustee shall be repayable by the relevant Chargor to the Security Trustee on demand and pending such repayment shall constitute part of the Secured Liabilities.
- 6.9.6 Each Chargor shall remain liable to observe and perform all of the conditions and obligations assumed by it in respect of its Shares, Investments and Related Rights and the Security Trustee shall not be required to perform or fulfil any obligation of any Chargor in respect of any Shares, Investments or Related Rights.
- 6.9.7 Each Chargor shall comply with any notice served on it under Companies Act 2006 or pursuant to the articles of association or any other constitutional document of any relevant entity in respect of or in connection with the Shares, Investments or Related Rights and will promptly provide to the Security Trustee a copy of that notice.
- 6.9.8 Each Chargor shall ensure that none of its Shares are converted into uncertificated form without the prior written consent of the Security Trustee.
- 6.9.9 Immediately on the conversion of any Chargor's Shares, Investments or Related Rights from a certificated to an uncertificated form, or on the acquisition by a Chargor of any Shares, Investments or Related Rights in an uncertificated form, the relevant Chargor shall give such instructions or directions and take such other steps and enter into such documentation as the Security Trustee may require in order to protect or preserve the Security intended to be created by this Deed.

REPRESENTATIONS AND WARRANTIES

Each Chargor makes the representations and warranties listed below in favour of each of the Secured Parties.

- 7.1 **Status**
- 7.1.1 It is a limited company duly organised, validly existing and registered under the relevant laws of its jurisdiction of incorporation.
 - 7.1.2 It has the power and all necessary governmental and other consents, approvals, licences and authorities to own its assets and carry on its business as it is being conducted.

7.2 Authority

It is empowered to enter into and perform its obligations contained in this Deed and has taken all necessary action to authorise the execution, delivery and performance of this Deed, to create the security to be constituted by this Deed and to observe and perform its obligations under this Deed.

7.3 Binding obligations

The obligations expressed to be assumed by it in this Deed are legal, valid, binding and enforceable obligations.

7.4 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, this Deed and the granting of this Deed and security constituted by this Deed do not and will not conflict with:

- 7.4.1 any law or regulation applicable to it;
- 7.4.2 its constitutional documents; or
- 7.4.3 any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument.

7.5 Security Assets

7.5.1 Immediately prior to the date of this Deed it was the legal and beneficial owner of the Security Assets with the right to transfer with full title guarantee all or any part of the Security Assets and had good and marketable title to the Security Assets.

7.5.2 Save in respect of any Security Assets legally assigned to the Security Trustee pursuant to this Deed, it is the legal and beneficial owner of the Security Assets with the right to transfer with full title guarantee all or any part of the Security Assets and has good and marketable title to the Security Assets.

7.5.3 Schedule 2 (*Security Assets*) identifies:

- (a) all the Property situated in England and Wales (other than the Excluded Property);
- (b) all the registered patents, designs and trade marks, and applications in respect of the same; and
- (c) all the shares in respect of companies incorporated in England and Wales, to the extent beneficially owned by the Chargors at the date of this Deed.

7.6 Investments and Shares

7.6.1 All Investments and the Shares are fully paid and none are subject to any option to purchase or similar rights.

7.6.2 It has not appointed any nominee to exercise or enjoy all or any of its rights in relation to the Investments or the Shares.

7.6.3 The constitutional documents of any company whose shares are the subject of the Security created by this Deed do not and could not restrict or prohibit any transfer of those shares on creation or on enforcement of that Security.

7.7 Environmental matters

7.7.1 It has complied with all Environmental Laws applicable to the Security Assets and its business.

7.7.2 There has been no discharge, spillage, release or emission of any prescribed, dangerous, noxious or offensive substance or any controlled waste on, into or from any Security Asset or any adjoining premises and no such substances or any controlled waste have been stored or disposed of on any Security Asset or, so far as that Chargor is aware, in any adjoining premises except in accordance with the requirements of the applicable Environmental Laws.

7.7.3 It is not in breach of and has not incurred or become subject to any civil or criminal liability under any Environmental Laws and it has not done anything or omitted to do anything which could result in any liability being imposed on the Security Trustee under any Environmental Law.

7.8 Repetition

The representations in this Clause are deemed to be made by the Chargors by reference to the facts and circumstances then existing at all times during the continuance of this Security.

UNDERTAKINGS

8.1 Duration of undertakings

Each Chargor undertakes to the Security Trustee in the terms of this Clause for the duration of the Security Period.

8.2 General undertakings

8.2.1 Negative pledge and disposal restrictions

It will not:

- (a) create or agree to create or permit to subsist or arise any Security over all or any part of the Security Assets; or
- (b) sell, transfer, lease out, lend or otherwise dispose of all or any part of the Security Assets (other than Floating Charge Assets on arm's length terms in the ordinary course of trading) or agree or attempt to do the same,

other than pursuant to any Permitted Security, a Permitted Disposal or otherwise with the prior written consent of the Security Trustee.

8.2.2 Deposit of documents or title deeds

It will deposit with the Security Trustee:

- (a) subject to clause 6.9.1, all documents of title (or documents evidencing title or the right to title) and agreements relating to a Security Asset (including without limitation, all deeds and documents of title relating to the Property (other than Excluded Property));
- (b) to the extent requested by the Security Trustee from time to time:
 - (i) certified copies of all Relevant Agreements;
 - (ii) all deeds and documents of title (if any) relating to the Debts;
 - (iii) upon the occurrence of an Event of Default, details of all Plant and Machinery; and
 - (iv) details of all Blocked Accounts and Other Accounts; and
- (c) any other document which the Security Trustee may require for the purposes of perfecting the Security created by this Deed.

8.2.3 Information

It shall supply as soon as reasonably practicable to the Security Trustee such information in relation to the Security Assets as the Security Trustee may request.

8.2.4 General

It shall not do or cause or permit to be done anything which may in any way materially depreciate, jeopardise or otherwise prejudice the value to the Secured Parties of the Security Assets.

8.3 Shares

8.3.1 Registration of transfers

If requested by the Security Trustee at any time after the occurrence of an Event of Default which is continuing, It shall procure that all Investments and Shares

which are in registered form are duly registered in the name of the Security Trustee or its nominee once a transfer relating to those Investments and Shares is presented for that purpose.

8.3.2 Clearance systems etc

If requested by the Security Trustee at any time after the occurrence of an Event of Default which is continuing, it shall instruct any clearance system, settlement system, custodian or similar person to transfer any Investments then held by any such person for its or some nominee's account to the account of the Security Trustee (or its nominee) with such clearance system (or as otherwise required by the Security Trustee).

8.3.3 Acquisition and calls

It shall:

- (a) not, without the prior written consent of the Security Trustee, acquire any Investments or Shares unless they are fully paid;
- (b) as soon as reasonably practicable notify the Security Trustee of the acquisition of any Investment or Shares;
- (c) duly and as soon as reasonably practicable pay all calls, instalments or other payments which may be due and payable in respect of any Investments or Shares and, for the avoidance of doubt, no Secured Party shall incur any liability in respect of any amounts due from the Chargor in respect of any Investments or Shares.

8.3.4 Dividends

At any time after the occurrence of an Event of Default which it is continuing, it shall immediately pay all dividends or other monies received by it in respect of the Investments and the Shares to the Security Trustee, or as the Security Trustee may direct from time to time.

8.3.5 Nominees

It shall not appoint any nominee to exercise or enjoy all or any of its rights in relation to the Investments or the Shares.

8.4 Debts

8.4.1 Value of Debts

- (a) It undertakes to provide to the Security Trustee as soon as reasonably practicable upon its request (and in a form acceptable to the Security Trustee) a certificate showing the aggregate value of the Debts due to it from any person.
- (b) It will ensure that all Debts are evidenced by a written agreement between it and the debtor or debtors.

8.4.2 Realisation of Debts

During the Security Period, it undertakes with reference to the Debts:

- (a) to collect the Debts in the ordinary course of its business and following an Event of Default which is continuing, to hold the proceeds of those Debts on trust for the Security Trustee and to pay the proceeds of those Debts into such account as is specified by the Security Trustee;
- (b) not, without the prior written consent of the Security Trustee, to sell, factor, discount, charge, assign, declare a trust over or otherwise dispose of or release, exchange, compound, set off or grant time or indulgence or otherwise deal with all or any of the Debts in favour of any other person or purport to do so;
- (c) if required by the Security Trustee following the occurrence of an Event of Default which is continuing, to pay into such account as the Security

Trustee may direct from time to time all monies it may receive in respect of the Debts; and

- (d) if called upon so to do by the Security Trustee following the occurrence of an Event of Default which is continuing, execute a legal assignment of the Debts to the Security Trustee in such terms as the Security Trustee in its discretion may require, give such notice of that legal assignment to the debtors from whom the Debts are due, owing or incurred and take any such other step as the Security Trustee in its discretion may require to perfect such legal assignment.

8.5 Accounts

8.5.1 Blocked Accounts

During the Security Period, the Chargors shall not, except with the prior written consent of the Security Trustee, withdraw or attempt or be entitled to withdraw from any Blocked Account all or any monies standing to the credit of any Blocked Account.

8.5.2 Other Bank Accounts

At any time after the occurrence of an Event of Default which is continuing, each Chargor shall not, except with the prior written consent of the Security Trustee, withdraw or attempt or be entitled to withdraw from any of its bank accounts all or any monies standing to the credit of such bank accounts.

8.6 Intellectual Property Rights

8.6.1 It shall:

- (a) take all necessary action to safeguard and maintain its rights, present and future, in or relating to Intellectual Property Rights (including the payment of all renewal fees and all steps which are reasonable and necessary to maintain any applicable registrations with any appropriate registry or other government authority or body);
- (b) in respect of any Material Intellectual Property, keep the Security Trustee fully informed as to the registration or requirement to renew the registration of any Intellectual Property Rights;
- (c) not use or refrain from using its Intellectual Property Rights in a way which may adversely affect the value of those Intellectual Property Rights; and
- (d) in respect of any Material Intellectual Property, notify the Security Trustee promptly of any infringement or suspected infringement or any challenge to the validity of its Intellectual Property Rights and, at the request of the Security Trustee, take all steps necessary to prevent or bring to an end any such infringement and to defend any such challenge.

8.7 Property

8.7.1 Title

- (a) Each Chargor must exercise its rights and comply in all respects with any covenant, stipulation or obligation (restrictive or otherwise) at any time affecting its Property and to the extent that failure to do so will or is reasonably likely to materially and adversely affect the interests of the Secured Parties.
- (b) No Chargor may agree to any amendment, supplement, waiver, surrender or release of any covenant, stipulation or obligation (restrictive or otherwise) at any time affecting its Property if such amendment, supplement, waiver, surrender or release will or is reasonably likely to materially and adversely affect the interests of the Secured Parties.

8.7.2 Leases

Each Chargor must:

- (a) exercise its rights and comply with its obligations under any headlease under which it holds Property or any occupational lease in place at the Property;
- (b) not do or permit anything which may render any headlease or agreement for lease under which it holds an interest in a Property, or to which the Property is subject, liable to forfeiture or otherwise determinable;
- (c) use its reasonable commercial endeavours to ensure that each landlord complies with its obligations under any such headlease and each tenant complies with its material obligations under any such occupational lease;
- (d) if so required by the Security Trustee, apply for relief against forfeiture of any such headlease;
- (e) not without the prior written consent of the Security Trustee alter or vary or surrender or terminate the terms of any headlease under which it holds any Property or any lease to which any Property is subject.

In a proper and timely manner and to the extent that failure to do so will or is reasonably likely to materially and adversely affect the interests of the Secured Parties.

8.7.3 Access

Each Chargor will permit the Security Trustee and such person or persons as the Security Trustee shall nominate at all reasonable times and on reasonable notice to enter on any part of its Property.

8.7.4 Maintenance

- (a) Each Chargor must ensure that all buildings, plant, machinery, chattels, fixtures and fittings on its Property are in, and maintained in, good and substantial repair and condition and, as appropriate, in good working order and to the extent that failure to do so will or is reasonably likely to materially and adversely affect the interests of the Secured Parties.
- (b) Sub-clause 8.7.5(a) shall not apply to any Property which is undergoing development activity expressly permitted under the Investment Agreement and/or permitted by the Security Trustee (acting on the instructions of the Instructing Group).

8.7.5 Development

- (a) Each Chargor may not:
 - (i) make or allow to be made any application for planning permission in respect of any part of its Property; or
 - (ii) carry out, or allow to be carried out, any demolition, construction, structural alterations or additions, development or other similar operations in respect of any part of its Property.
- (b) Sub-clause 8.7.5(a) shall not apply to:
 - (i) ordinary course maintenance of buildings, plant, machinery, fixtures and fittings;
 - (ii) the carrying out of non-structural improvements or alterations which affect only the interior of any building on a Property;
 - (iii) development activity expressly permitted under the Investment Agreement and/or permitted by the Security Trustee (acting on the instructions of Instructing Group).

- (c) Each Chargor must comply in all respects with all planning laws, permissions, agreements and conditions to which its Property may be subject save to the extent that failure to do so will not and is not reasonably likely to materially and adversely affect the interests of the Secured Parties.

8.8 Power to remedy

If a Chargor fails to comply with any covenant set out in this Clause 8, following a request to do so from the Security Trustee and failure to do so for a period of at least 10 Business Days, it will allow (and irrevocably authorises) the Security Trustee or any Receiver to take any action on its behalf which the Security Trustee or the Receiver (acting reasonably) deems necessary to ensure compliance with those covenants. Each Chargor shall reimburse to the Security Trustee and/or any Receiver, on demand, all amounts reasonably expended by the Security Trustee or any Receiver in remedying such failure together with interest at the Default Rate from the date of payment by the Security Trustee or Receiver (as the case may be) until the date of reimbursement.

ENFORCEMENT AND POWERS OF THE SECURITY TRUSTEE

9.1 Enforcement

At any time after the occurrence of an Event of Default which is continuing, the Security created pursuant to this Deed shall be immediately enforceable and the Security Trustee may in its absolute discretion without any liability to any party in this regard and without notice to the Chargors or any of them or the prior authorisation of any court:

- 9.1.1 enforce all or any part of the Security created by this Deed and take possession of or dispose of all or any of the Security Assets in each case at such times and upon such terms as it sees fit; and
- 9.1.2 whether or not it has appointed a Receiver, exercise all of the powers, authorities and discretions:
 - (a) conferred from time to time on mortgagees by the LPA (as varied or extended by this Deed) or by law; and
 - (b) granted to a Receiver by this Deed or from time to time by law;
 - (c) appoint one or more persons to be a Receiver to all or any part of the Security Assets;
 - (d) appoint one or more persons to be an administrator in respect of any Chargor and take any steps to do so;
 - (e) exercise its power of sale under section 101 of the LPA (as amended by this Deed); or
 - (f) if permitted by law, appoint an administrative receiver in respect of any Chargor.

9.2 Power of sale, leasing and other powers

- 9.2.1 For the purpose of all rights and powers implied or granted by law, the Secured Liabilities are deemed to have fallen due on the date of this Deed. The power of sale and other powers conferred by section 101 LPA and all other enforcement powers conferred by this Deed shall be immediately exercisable at any time after the occurrence of an Event of Default.
- 9.2.2 The Security Trustee may lease, make agreements for leases at a premium or otherwise, accept surrenders of leases and grant options or vary or reduce any sum payable under any leases or tenancy agreements as it thinks fit, without the need to comply with any of the provisions of sections 99 and 100 LPA.
- 9.2.3 In the exercise of the powers conferred by this Deed, the Security Trustee may sever and sell plant, machinery or other fixtures separately from the property to which they may be annexed and it may apportion any rent or other amount without the consent of the Chargors.

9.3 Statutory restrictions

The restriction on the consolidation of mortgages and on power of sale imposed by sections 93 and 103 respectively of the LPA shall not apply to the Security constituted by this Deed.

9.4 Appropriation

9.4.1 In this Deed, "financial collateral" has the meaning given to that term in the Financial Collateral Arrangements (No.2) Regulations 2003.

9.4.2 At any time after the occurrence of an Event of Default which is continuing, the Security Trustee may appropriate all or part of the financial collateral in or towards satisfaction of the Secured Liabilities.

9.4.3 The Parties agree that the value of any such Security Assets appropriated in accordance with sub-clause 9.4.2 shall be the market price of such Security Assets at the time the right of appropriation is exercised as determined by the Security Trustee by reference to such method or source of valuation as the Security Trustee may reasonably select, including by independent valuation. The Parties agree that the methods or sources of valuation provided for in this sub-clause or selected by the Security Trustee in accordance with this sub-clause shall constitute a commercially reasonable manner of valuation for the purposes of the Financial Collateral Arrangements (No.2) Regulations 2003.

9.4.4 The Security Trustee shall notify the Chargors, as soon as reasonably practicable, of the exercise of its right of appropriation as regards such of the Security Assets as are specified in such notice.

9.5 Shares and Investments – following an Event of Default

9.5.1 Following the occurrence of an Event of Default which is continuing, each Chargor shall on request by the Security Trustee:

- (a) deliver to the Security Trustee such pre-stamped stock transfer forms or other transfer documents as the Security Trustee may require to enable the Security Trustee or its nominee or nominees to be registered as the owner of, and to obtain legal and beneficial title to, the Shares, the Investments and/or Related Rights referred to in such request;
- (b) provide to the Security Trustee certified copies of all resolutions and authorisations approving the execution of such transfer forms and registration of such transfers as the Security Trustee may reasonably require;
- (c) procure that each such transfer is promptly registered by the relevant company or other entity; and
- (d) procure that, immediately on their issue, all share certificates or other documents of title in the appropriate form, in respect of the relevant Shares, Investments and/or Related Rights, are delivered to the Security Trustee in each case showing the registered holder as the Security Trustee or its nominee or nominees (as applicable).

9.5.2 Following the occurrence of an Event of Default which is continuing, the Security Trustee may complete any transfer documents held by it in respect of the Secured Shares, the Investments and/or the Related Rights in favour of itself or such other person or nominee as it shall select.

9.5.3 At any time after the Security created by or under this Deed has become enforceable the Security Trustee and its nominee or nominees may sell all or any of the Shares, Investments or Related Rights of the Chargors (or any of them) in any manner permitted by law and on such terms as the Security Trustee shall in its absolute discretion determine.

9.5.4 If any Chargor receives any dividends, distributions or other monies in respect of its Shares, Investments and Related Rights at a time following the occurrence of an Event of Default which is continuing, the relevant Chargor shall immediately pay such sums received directly to the Security Trustee for application in

accordance with Clause 12 (*Application of monies*) and shall hold all such sums on trust for the Security Trustee pending payment of them to such account as the Security Trustee shall direct.

APPOINTMENT OF A RECEIVER OR ADMINISTRATOR

10.1 Appointment

10.1.1 At any time after the occurrence of an Event of Default which is continuing, or at the request of a Chargor or its directors, the Security Trustee may, without prior notice to the Chargors, in writing (under seal, by deed or otherwise under hand) appoint:

- (a) a Receiver in respect of the Security Assets or any part thereof and may in like manner from time to time (and insofar as it is lawfully able to do) remove any Receiver and appoint another in his place; or
- (b) one or more persons to be an Administrator in accordance with paragraph 14 of Schedule B1 to the Insolvency Act 1986.

10.1.2 Nothing in sub-clause 10.1.1 shall restrict the exercise by the Security Trustee of any one or more of the rights of the Security Trustee under Schedule B1 to the Insolvency Act 1986 and the rules thereunder or at common law.

10.1.3 Section 109(1) LPA shall not apply to this Deed.

10.2 Several Receivers

If at any time there is more than one Receiver, each Receiver may separately exercise all of the powers conferred by this Deed (unless the document appointing such Receiver states otherwise).

10.3 Remuneration of Receiver

The Security Trustee may from time to time fix the remuneration of any Receiver appointed by it from time to time. For the purpose of this sub-clause, the limitation set out in section 109(6) LPA shall not apply.

10.4 Liability of the Security Trustee for actions of a Receiver or Administrator

10.4.1 Each Receiver shall be the agent of the Chargors which shall be solely responsible for that Receiver's acts or defaults, and for that Receiver's remuneration and expenses, and be liable on any agreements or engagements made or entered into by such Receiver. No Secured Party shall be responsible for any misconduct, negligence or default of a Receiver.

10.4.2 No Secured Party shall have any liability for the acts or omissions of an Administrator.

POWERS OF A RECEIVER

A Receiver shall have (and be entitled to exercise) in relation to the Security Assets over which he is appointed the following powers (as the same may be varied or extended by the provisions of this Deed):

- 11.1 all of the specific powers set out in schedule 9 (*Powers of Receiver*);
- 11.2 all of the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- 11.3 all of the powers conferred from time to time on receivers, mortgagors and mortgagees in possession by the LPA;
- 11.4 all of the powers conferred on the Security Trustee under this Deed;
- 11.5 all the powers and rights of a legal and beneficial owner and the power to do or omit to do anything which a Chargor could do or omit to do; and
- 11.6 the power to do all things which, in the opinion of the Receiver, are incidental to any of the powers, functions, authorities or discretions conferred or vested in the Receiver pursuant to this Deed or upon receivers by statute or law generally (including the bringing or defending of

proceedings in the name of, or on behalf of, a Chargor, the collection and/or realisation of Security Assets in such manner and on such terms as the Receiver sees fit; and the execution of documents in the name of a Chargor (whether under hand, or by way of deed or by utilisation of the company seal of a Chargor)).

APPLICATION OF MONIES

12.1 Order of application

12.1.1 Sections 109(6) and (8) (Appointment, powers, remuneration and duties of receiver) of the LPA shall not apply to a Receiver appointed under this Deed.

12.1.2 All monies from time to time received or recovered by the Security Trustee or any Receiver under this Deed or in connection with the realisation or enforcement of all or part of this Security ("**Recoveries**") will be held by the Security Trustee and shall be applied in accordance with the terms of the Junior Intercreditor Agreement.

12.1.3 This Clause 12.1:

(a) is subject to the payment of any claims having priority over this Security; and

(b) does not prejudice the right of any Secured Party to recover any shortfall from the Chargor.

12.2 Prospective liabilities

After the occurrence of an Event of Default which is continuing, the Security Trustee may, in its discretion, hold any amount of the Recoveries in an interest bearing suspense or impersonal account(s) in the name of the Security Trustee with such financial institution (including itself) and for so long as the Security Trustee shall think fit (the interest being credited to the relevant account) for later application under sub-clause 12.1 (*Order of application*) in respect of:

12.2.1 any sum to a Secured Party; and

12.2.2 any part of the Secured Liabilities,

that the Security Trustee reasonably considers, in each case, might become due or owing at any time in the future.

12.3 Investment of proceeds

Prior to the application of the proceeds of the Recoveries in accordance with sub-clause 12.1 (*Order of application*) the Security Trustee may, in its discretion, hold all or part of those proceeds in an interest bearing suspense or impersonal account(s) in the name of the Security Trustee with such financial institution (including itself) and for so long as the Security Trustee shall think fit (the interest being credited to the relevant account) pending the application from time to time of those monies in the Security Trustee's discretion in accordance with the provisions of sub-clause 12.1 (*Order of application*).

12.4 Currency conversion

12.4.1 For the purpose of, or pending the discharge of, any of the Secured Liabilities the Security Trustee may convert any monies received or recovered by the Security Trustee from one currency to another, at a market rate of exchange.

12.4.2 The obligations of the Chargors to pay in the due currency shall only be satisfied to the extent of the amount of the due currency purchased after deducting the costs of conversion.

12.5 Permitted deductions

The Security Trustee shall be entitled, in its discretion:

12.5.1 to set aside by way of reserve, amounts required to meet, and to make and pay, any deductions and withholdings (on account of taxes or otherwise) which it is or may be required by any applicable law to make from any distribution or payment made by it under this Deed; and

12.5.2 to pay all Taxes which may be assessed against it in respect of any of the Security Assets, or as a consequence of performing its duties, or by virtue of its capacity as Security Trustee under any of the Transaction Documents or otherwise (other than in connection with its remuneration for performing its duties under this Deed).

PROTECTION OF THIRD PARTIES

13.1 No obligation to enquire

No purchaser from, or other person dealing with, a Secured Party shall be obliged or concerned to enquire whether:

13.1.1 the right of the Secured Party to exercise any of the powers conferred by this Deed has arisen or become exercisable or as to the propriety or validity of the exercise or purported exercise of any such power; or

13.1.2 any of the Secured Liabilities remains outstanding or be concerned with notice to the contrary and the title and position of such a purchaser or other person shall not be impeachable by reference to any of those matters.

13.2 Receipt conclusive

The receipt of the Security Trustee or any Receiver shall be an absolute and a conclusive discharge to a purchaser, and shall relieve such purchaser of any obligation to see to the application of any monies paid to or by the direction of the Security Trustee or any Receiver.

PROTECTION OF THE SECURED PARTIES

14.1 No liability

No Secured Party shall be liable in respect of any of the Security Assets or for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective powers.

14.2 Possession of Security Assets

Without prejudice to sub-clause 14.1 (*No liability*), if a Secured Party enters into possession of the Security Assets, it will not be liable to account as mortgagee in possession and may at any time at its discretion go out of such possession.

14.3 No proceedings

No Party (other than the Security Trustee, a Receiver or a Delegate in respect of its own officers, employees or agents) may take any proceedings against any officer, employee or agent of a Secured Party in respect of any claim it might have against a Secured Party or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Transaction Document or any Security Asset and any officer, employee or agent of a Secured Party may rely on this sub-clause subject to clause 25 (*Third Party Rights*) and the provisions of the Third Parties Act.

CUMULATIVE POWERS AND AVOIDANCE OF PAYMENTS

15.1 Cumulative powers

The powers which this Deed confers on the Security Trustee and any Receiver appointed under this Deed are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as the relevant person thinks appropriate. The Security Trustee or the Receiver may, in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever. The respective powers of the Security Trustee and the Receiver will in no circumstances be suspended, waived or otherwise prejudiced by anything other than an express consent or amendment.

15.2 Amounts avoided

If any amount paid by a Chargor in respect of the Secured Liabilities is capable of being avoided or set aside on the liquidation or administration of the relevant Chargor or otherwise, then for the purposes of this Deed that amount shall not be considered to have been paid.

15.3 **Discharge conditional**

Any settlement or discharge between a Chargor and the Security Trustee shall be conditional upon no security or payment to the Security Trustee by the relevant Chargor or any other person being avoided, set aside, ordered to be refunded or reduced by virtue of any provision or enactment relating to insolvency and accordingly (but without limiting the other rights of the Security Trustee under this Deed) the Security Trustee shall be entitled to recover from the relevant Chargor the value which the Security Trustee has placed on that security or the amount of any such payment as if that settlement or discharge had not occurred.

RULING-OFF ACCOUNTS

If the Security Trustee receives notice of any subsequent Security or other interest affecting any bank account it may open a new account for the relevant Chargor in its books. If it does not do so then (unless it gives written notice to the contrary to the relevant Chargor or any of them), as from the time it receives that notice, all payments made by the relevant Chargor to it (in the absence of any express appropriation to the contrary) shall be treated as having been credited to a new account of the relevant Chargor and not as having been applied in reduction of the Secured Liabilities.

POWER OF ATTORNEY

17.1 Each Chargor, by way of security, irrevocably and severally appoints each of the Security Trustee and any Receiver (and any of their Delegates) as its attorney (with full power of substitution and delegation) in its name and on its behalf and to:

17.1.1 execute, deliver and perfect all deeds, instruments and other documents; and

17.1.2 to do or cause to be done all acts and things,

in each case:

- (a) following an Event of Default which is continuing; or
- (b) following a written request made by the Security Trustee to a Chargor to (i) execute, seal and/or deliver (using the company seal where appropriate) and otherwise perfect any deed, instrument and other document and/or (ii) to take any other action in each case which that Chargor is obliged to execute, deliver, take or otherwise do under this Deed, and such request has not been fully complied with within 5 Business Days of such request having been made.

17.2 Each Chargor covenants with each of the Security Trustee and any Receiver (or any of their Delegates) to ratify and confirm all such acts or things made, done or executed by that attorney.

DELEGATION

18.1 A Secured Party may, at any time, delegate by power of attorney or otherwise to any person for any period, all or any of the rights, powers and discretions vested in it by or pursuant to this Deed.

18.2 That delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that that Secured Party may, in its discretion, think fit in the interests of the Secured Parties and it shall not be bound to supervise, or be in any way responsible for any loss incurred by reason of any misconduct or default on the part of any such delegate or sub-delegate.

REDEMPTION OF PRIOR CHARGES

The Security Trustee may redeem any prior Security on or relating to any of the Security Assets or procure the transfer of that Security to itself, and may settle and pass the accounts of any person entitled to that prior Security. Any account so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargors. Each Chargor will on demand pay to the Security Trustee all principal monies and interest and all losses incidental to any such redemption or transfer.

20. COSTS, EXPENSES AND INDEMNITIES

20.1 Documentation costs

Each Chargor must on demand pay the Secured Parties all reasonable costs and expenses, including reasonable legal, valuation, accountancy and consultancy fees (and VAT) incurred by any of them relating to:

- 20.1.1 the negotiation, preparation, execution and completion of this Deed, or any of the documents referred to in this Deed; and
- 20.1.2 any actual or proposed amendment, replacement, restatement or extension of, or any waiver or consent under, this Deed or any of the documents referred to in this Deed.

20.2 Enforcement costs

Each Chargor must reimburse any Secured Party on demand for all Losses incurred as a result of the enforcement, attempted enforcement or preservation of any of their rights under:

- 20.2.1 this Deed; or
- 20.2.2 any of the documents referred to in this Deed.

20.3 Further indemnity

20.3.1 Each Chargor must, on demand, indemnify the Secured Parties for all Claims and Losses which may be incurred by or made against any of them at any time relating to or arising directly or indirectly out of:

- (a) a failure by a Chargor to pay any amount due under this Deed on its due date;
- (b) taking, holding, protection or enforcement of this Security or the Guarantee;
- (c) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;
- (d) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under the Transaction Documents;
- (e) any default by a Chargor in the performance of any of its other obligations under the Transaction Documents;
- (f) the exercise of any of the rights, powers, discretions, authorities and remedies vested in any Secured Party by this Deed or by law;
- (g) any actual or alleged breach of any law or regulation (including any Environmental Law) by any person which would not have arisen if this Deed had not been entered into;
- (h) any misconduct, omission or default by any substitute or delegate under clause 17 or clause 18;
- (i) acting as Security Trustee, Receiver or Delegate under this Deed or which otherwise relates to any of the Security Assets (otherwise, in each case, than by reason of the relevant Secured Party's gross negligence or wilful misconduct).

20.3.2 Each Chargor expressly acknowledges and agrees that the continuation of its indemnity obligations under this clause 20.3 will not be prejudiced by any release of this Security or the Guarantee or disposal of any Security Asset.

20.3.3 The Security Trustee and every Receiver and Delegate may, in priority to any payment to the other Secured Parties, indemnify itself out of the Security Assets in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this clause 20.3 and shall have a lien on this Security and the

Guarantee and the proceeds of the enforcement of this Security and the Guarantee for all money payable to it.

20.4 No liability

No Secured Party will in any way be liable or responsible for any loss or liability of any kind arising from any act or omission by that Secured Party (whether as mortgagee in possession or otherwise) relating to the Security Assets, except to the extent caused by its own negligence or wilful misconduct.

20.5 Stamp duty costs

Each Chargor must pay all present and future stamp, registration and similar taxes or charges which may be payable, or determined to be payable, as a result of the execution, delivery, performance or enforcement of this Deed or any judgment given relating to this Deed.

21. PAYMENTS

21.1 Subject to clause 21.2, all payments to be made by a Chargor under this Deed, must be made:

21.1.1 in immediately available funds to any account the Security Trustee chooses; and

21.1.2 free and clear of, and without any deduction for, or on account of, any set-off or counterclaim or, except to the extent required by law, any deduction on account of any Tax.

21.2 If a Chargor is legally required to withhold or deduct any Tax from any payment under this Deed, that sum must be increased so as to result in the receipt by the Security Trustee of a net amount equal to the full amount expressed to be payable under this Deed.

21.3 Any demand, notification or certificate given by the Security Trustee specifying amounts due and payable under or relating to this Deed shall, in the absence of manifest error, be conclusive and binding on the Chargors.

21.4 Any due but unpaid amount under this Deed will bear interest (both before and after judgment and payable on demand) from the due date (or, in the case of costs, fees or expenses incurred, from the date they are so incurred) until the date on which such amount is unconditionally and irrevocably paid and discharged in full on a daily basis at the Default Rate. Such Interest will be calculated on the basis of the actual number of days elapsed and a year of 365 days and will be compounded at monthly intervals.

22. CURRENCY

22.1 Conversion

All money received or held by the Security Trustee or any Receiver or Delegate under this Deed may be converted from its existing currency into any other currency the Security Trustee considers necessary to discharge the Secured Liabilities or any other sum payable under this Deed in that other currency at a market rate of exchange then prevailing.

22.2 No discharge

No payment to the Security Trustee (whether under any judgment or court order or in the liquidation or dissolution of a Chargor or otherwise) will discharge any obligation or liability of any Chargor, unless and until the Security Trustee has received payment in full in the currency in which the obligation or liability was incurred and, to the extent that the amount of any such payment shall on actual conversion into such currency fall short of such obligation or liability expressed in that currency, the Security Trustee has a further separate cause of action in relation to the shortfall and is entitled to enforce this Security and the Guarantee to recover the amount of the shortfall.

22.3 Change of currency

22.3.1 Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:

(a) any reference in this Deed to, and any obligations arising under this Deed in, the currency of that country is translated into, or paid in, the currency or

currency unit of that country designated by the Security Trustee (after consultation with the Chargors); and

- (b) any translation from one currency or currency unit to another is at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Security Trustee (acting reasonably).

22.3.2 If a change in any currency of a country occurs, this Deed will, to the extent the Security Trustee (acting reasonably and after consultation with the Chargors) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the London interbank market and otherwise to reflect the change in currency.

23. SET-OFF BY SECURED PARTY

The Security Trustee and each Receiver and Delegate may set off any matured obligation due from a Chargor under this Deed (to the extent beneficially owned by that person in their capacity as Security Trustee, Receiver or Delegate) against any matured obligation owed by that person to that Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

CHANGE TO PARTIES

24.1 The Security Trustee may assign, charge or transfer all or any part of its rights under this Deed in accordance with the Loan Note Security Trust Deed .

24.2 Each Chargor authorises and agrees to changes of parties under and in accordance with the Loan Note Security Trust Deed and authorises the Security Trustee to execute on its behalf any document required to effect the necessary transfer of rights or obligations contemplated by the Loan Note Security Trust Deed.

24.3 No Chargor may assign, transfer, charge, make the subject of a trust or deal in any other manner with this Deed or any of its rights under this Deed or purport to do any of the same without the prior written consent of the Security Trustee.

24.4 Each Chargor consents to the accession to this Deed of additional Chargors and agrees that any such accession will in no way prejudice this Security or the Guarantee or affect the covenants it has given in this Deed.

THIRD PARTY RIGHTS

25.1 Unless expressly provided to the contrary in a Transaction Document, a person who is not a Party has no right under the Third Parties Act to enforce or to enjoy the benefit of any term of this Deed.

25.2 Notwithstanding any term of any Transaction Document, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.

25.3 Any Secured Party may enforce and enjoy the benefit of any clause which expressly confers rights on it, subject to clause 25.2 and the provisions of the Third Parties Act.

NOTICES

The provisions of clause 15 of the Loan Note Security Trust Deed are deemed to be incorporated into this Deed, *mutatis mutandis*, as if they were set out in full within this Deed.

GENERAL

27.1 No variation to this Deed will be effective unless made in writing and signed by or on behalf of each of the Parties. A waiver given or consent granted by the Security Trustee under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

27.2 Each provision of this Deed is severable and distinct from the others. If at any time any provision of this Deed is or becomes unlawful, invalid or unenforceable to any extent or in any circumstances for any reason, it shall to that extent or in those circumstances be deemed not

to form part of this Deed but (except to that extent or in those circumstances in the case of that provision) the legality, validity and enforceability of that and all other provisions of this Deed will not be affected in any way.

27.3 If any provision of this Deed is found to be illegal, invalid or unenforceable under clause 27.2 but would be legal, valid or enforceable if some part of the provision were deleted, the provision in question will apply with any modifications that may be necessary to make it legal, valid or enforceable.

27.4 This deed may be executed in any number of counterparts each of which when executed and delivered will be an original. All the counterparts together will form one and the same document.

28. GOVERNING LAW

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

JURISDICTION

29.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "Dispute").

29.2 The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

29.3 This Clause is for the benefit of the Security Trustee only. As a result, the Security Trustee shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Trustee may take concurrent proceedings in any number of jurisdictions.

This Deed has been signed on behalf of the Security Trustee and executed as a deed by each Chargor and is delivered on the date given at the beginning of this Deed.

SCHEDULE 1

The Original Chargors

Company name	Registered number	Registered address
Aquavista Watersides Topco Ltd	13771013	Sawley Marina, Long Eaton, Nottinghamshire, England, NG10 3AE
Project Belize Limited	11579323	Sawley Marina, Long Eaton, Nottinghamshire, England, NG10 3AE
Aquavista Watersides 2 Ltd	13740832	Sawley Marina, Long Eaton, Nottinghamshire, England, NG10 3AE
Aquavista Watersides Ltd	04930453	Sawley Marina, Long Eaton, Nottinghamshire, England, NG10 3AE

SCHEDULE 2
Security Assets
Part 1 - The Property

	Chargor	Address or Description of Property	Title Number (if registered)
1.	Aquavista Watersides Ltd	White Bear Marina, Park Road, Adlington, Chorley	LA950706 (freehold)
2.	Aquavista Watersides Ltd	Priory Marina Barkers Lane Bedford	BD214181 (leasehold)
3.	Aquavista Watersides Ltd	Port Avon Marina, Keynsham Road, Keynsham, Bristol, BS31 2DD; and Land adjoining Port Avon Marina Keynsham Road, Keynsham Bristol BS31 2DD	GR405812 (freehold) GR424795 (leasehold)
4.	Aquavista Watersides Ltd	Land and buildings known as Poplar Dock Marina, Boardwalk Place, London E14 5SH	AGL444069 (leasehold)
5.	Aquavista Watersides Ltd	Packet Boat Marina Packet Boat Lane Uxbridge UB8 2JS	AGL443757 (freehold)
6.	Aquavista Watersides Ltd	Limehouse Marina Narrow Street London	AGL444161 (leasehold)
7.	Aquavista Watersides Ltd	Land lying to the South-East of Fleet Lane, Methley, Leeds and known as Lemonroyd Marina	YY102498 (freehold)
8.	Aquavista Watersides Ltd	Kings Marina, Mather Road, Newark NG24 1FW	NT538384 (freehold)
9.	Aquavista Watersides Ltd	Land and buildings known as Hull Marina, parts of Warehouse 13 and the plant room, Humber Dock Street and land to the west side of Railway Street, Kingston upon Hull	HS347995, HS347996 and HS347997 (leasehold)
10.	Aquavista Watersides Ltd	Glasson Marina, Glasson Dock, Lancaster and Waterspace at Glasson Basin Waterspace, Tithebarn Hill, Glasson Dock, Lancaster	LAN205065 (freehold) LAN205066 (leasehold)
11.	Aquavista Watersides Ltd	Galgate Marina, Galgate, Lancaster LA2 0LQ and Waterspace at Galgate Marina, Galgate, Lancaster, LA2 0LJ	LAN205068 (freehold) LAN205070 (leasehold)
12.	Aquavista Watersides Ltd	Diglis Basin, Diglis Road Worcester	WR115553 (leasehold) WR178739 (leasehold)
13.	Aquavista Watersides Ltd	Cow Roast Marina, Cow Roast, Tring	HD347095 and HD509772 (freehold)
14.	Aquavista Watersides Ltd	Bath Marina Newbridge Road, Bath	AV208098 (leasehold)
15.	Aquavista Watersides Ltd	Apsley Marina, 1-17 The Moorings, Dickinson Quay Hemel Hempstead HP3 9FP; and 16 Dickinson Quay, Hemel Hempstead, HP3 9WQ	HD417424 (freehold) HD417423 (leasehold)
16.	Aquavista Watersides Ltd	Sawley Marina, Long Eaton, Nottinghamshire, NG10 3AE	LT273508, LT421602, LT320179 and LT238571 (freehold)

	Chargor	Address or Description of Property	Title Number (if registered)
17.	Aquavista Watersides Ltd	Pennington Wharf Marina, Marina Walk, Leigh and Marina Office at 3 Marina Walk, Leigh	MAN309601 (freehold) and MAN340515 (leasehold)

Part 2 - Intellectual Property

Trade marks

None as at the date of this Deed.

Patents

None as at the date of this Deed.

Designs

None as at the date of this Deed.

Part 3 - Shares

Chargor	Name and registered number of subsidiary	Number and class of shares
Aquavista Watersides Topco Ltd	Project Belize Limited (11579323)	520,420 ordinary shares of £0.10 each
Project Belize Limited (11579323)	Aquavista Watersides 2 Ltd (13740832)	3 ordinary shares of £1.00 each
Aquavista Watersides 2 Ltd (13740832)	Aquavista Watersides Ltd (04930453)	2,116 ordinary shares of £1.00 each

CL

CL

CL

Part 4 - Assigned Contracts

Chargor	Parties	Description
Aquavista Watersides Ltd	(1) John Grahame Whateley And Diana Leslie Whateley in their capacity as Trustees of the Castlemore Securities Furbs Scheme Trust (together the Sellers); (2) John Grahame Whateley and Diana Leslie Whateley in their personal capacities; (3) Aquavista Watersides Ltd as the Buyer; and (4) John Sebastian Whateley.	Share purchase agreement relating to the entire issued share capital of Castle Marinas Limited

SCHEDULE 3

Lease documents

Part 1 - Form of notice of assignment

To: ♦

Dated: ♦

Dear Sirs

The lease described in the attached schedule (Lease)

We hereby notify you that we have assigned absolutely, subject to a proviso for re-assignment on redemption, to LDC (Managers) Limited (**Security Trustee**) as security trustee for itself and others all our right, title and interest in and to the Lease (including all rental income and other monies payable under the Lease).

We hereby irrevocably and unconditionally authorise and instruct you:

- 1 without notice or reference to or further authority from us and without enquiring as to the justification or the validity of those instructions, to comply only with any instructions from time to time received by you from the Security Trustee relating to the Lease; and
- 2 upon instructions from the Security Trustee, to pay all sums payable by you under the Lease directly to such account as the Security Trustee may specify from time to time.

We remain liable to perform all our obligations as landlord under the Lease and the Security Trustee is under no obligation of any kind whatsoever under the Lease nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Lease.

Please sign and return the acknowledgement attached to one enclosed copy of this notice to the Security Trustee and the other copy to us.

The provisions of this notice (and any non-contractual obligations arising out of or in connection with it) are governed by English law.

Yours faithfully

.....
for and on behalf of

♦

The Schedule

[Description of Lease]

[Attach form of acknowledgment]

Part 2 - Form of acknowledgement

To: LDC (Managers) Limited
[address]

To: [name of Chargor] (Chargor)
[address]

Dated: ◆

We acknowledge receipt of the notice of assignment (**Notice**) of which the enclosed is a duplicate. Terms defined in the Notice shall have the same meaning when used in this acknowledgement. We confirm that:

- (a) we will not agree to any amendment, waiver or release of any provision of the Lease or any right, title and interest in and to the Lease without the prior written consent of the Security Trustee;
- (b) we shall act in accordance with the Notice;
- (c) the Chargor will remain liable to perform all its obligations under the Lease and the Security Trustee is under no obligation of any kind whatsoever under the Lease nor under any liability whatsoever in the event of any failure by the Chargor to perform its obligations under the Lease;
- (d) upon instructions from the Security Trustee, we will make all necessary arrangements for all future payments payable under such Lease to be made to such account as the Security Trustee may specify from time to time; and
- (e) as at the date of this acknowledgement we have not received any notice of security assignment or charge of (or of any interest of any third party in) the Chargor's interest in the Lease in favour of any other person.

The provisions of this acknowledgement (and any non-contractual obligations arising out of or in connection with it) are governed by English law.

.....
For and on behalf of

[Tenant]

SCHEDULE 4

Relevant Agreements – Form of notice of assignment and acknowledgement

To: *[insert name and address of counterparty]*

Dated: **[●]**

Dear Sirs

Re: [identify the relevant agreement] (the "Agreement")

We notify you that we have assigned absolutely, by way of security to LDC (Managers) Limited (the "Security Trustee") all our right, title and interest in the Agreement as security for certain obligations owed by us to the Security Trustee.

We further notify you that:

1. you may continue to deal with us in relation to the Agreement until you receive written notice to the contrary from the Security Trustee. Thereafter, we will cease to have any right to deal with you in relation to the Agreement and therefore, from that time, you should deal only with the Security Trustee;

you are authorised to disclose information in relation to the Agreement to the Security Trustee on request;

after receipt of written notice in accordance with paragraph 1, you must pay all monies to which we are entitled under the Agreement direct to the Security Trustee (and not to us) unless the Security Trustee otherwise agrees in writing;

the provisions of this notice may only be revoked or amended with the prior written consent of the Security Trustee; and

we remain liable to perform all our obligations under the Agreement and the Security Trustee is under no obligation of any kind whatsoever under the Agreement nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Agreement.

Please sign and return the enclosed copy of this notice to the Security Trustee (with a copy to us) by way of confirmation that:

- 5.1 you agree to the terms set out in this notice and to act in accordance with its provisions;
- 5.2 you will not amend in any way, waive or release any rights, interest or benefit in relation to the Agreement or terminate the Agreement without the prior written consent of the Security Trustee; and
- 5.3 you have not received notice that we have assigned or charged our rights under the Agreement to a third party or created any other interest in the Agreement in favour of a third party.

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

Yours faithfully

.....
for and on behalf of
[the relevant Chargor]

[On acknowledgement copy]

To: LDC (Managers) Limited

[address]

Copy to: *[the relevant Chargor]*

We acknowledge receipt of the above notice and the notifications therein, agree to abide by its terms and confirm the matters set out in paragraphs 5.1 to 5.3 (inclusive) of that notice.

.....
for and on behalf of
[insert name of counterparty]

Dated: [•]

SCHEDULE 5

Blocked Accounts

Part 1- Form of notice of assignment

To: [insert name and address of account holding institution]

Dated: ◆

Dear Sirs

Account number: ◆ (Blocked Account)
Sort code: ◆
Account holder: ◆

We hereby notify you that we have [assigned absolutely / charged by way of first fixed charge] to LDC (Managers) Limited (**Security Trustee**) as security trustee for itself and others all our right, title and interest in and to the Blocked Account and any monies from time to time standing to the credit of the Blocked Account.

We hereby irrevocably and unconditionally authorise and instruct you:

- 1 to hold all monies from time to time standing to the credit of the Blocked Account to the order of the Security Trustee and accordingly to pay all or any part of those monies to the Security Trustee (or as it may direct) promptly following receipt of written instructions from the Security Trustee to that effect; and
- 2 to disclose to the Security Trustee such information relating to us and the Blocked Account as the Security Trustee may from time to time request you to provide.

We also advise you that:

- (a) all rights, interest and benefits whatsoever accruing to or for the benefit of us arising in respect of the Blocked Account belong to and are exercisable by or at the direction of the Security Trustee;
- (b) we may not withdraw any monies from the Blocked Account without first having obtained the prior written consent of the Security Trustee; and
- (c) the provisions of this notice may only be revoked or varied with the prior written consent of the Security Trustee.

Please sign and return the acknowledgement attached to one enclosed copy of this notice to the Security Trustee and the other copy to us.

The provisions of this notice (and any non-contractual obligations arising out of or in connection with it) are governed by English law.

Yours faithfully

.....
for and on behalf of

◆

[Attach form of acknowledgment]

Part 2- Form of acknowledgement

To: LDC (Managers) Limited
[address]

To: [name of Chargor] (Chargor)
[address]

Dated: ◆

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

We confirm that:

- (a) we shall act in accordance with the Notice;
- (b) as at the date of this acknowledgement we have not received any notice of security assignment or charge over (or of any interest of any third party in) the Chargor's interest in the Blocked Account in favour of any other person; and
- (c) we will not without the Security Trustee's prior written consent amend or vary any rights attaching to the Blocked Account.

The provisions of this acknowledgement (and any non-contractual obligations arising out of or in connection with it) are governed by English law.

.....
For and on behalf of
[account holding institution]

Part 2- Form of acknowledgement

To: LDC (Mangers) Limited
[address]

To: [name of Chargor] (Chargor)
[address]

Dated: ◆

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

We confirm that:

- (a) we shall act in accordance with the Notice;
- (b) as at the date of this acknowledgement we have not received any notice of security assignment or charge (or of any interest of any third party in) over the Chargor's interest in the Account in favour of any other person;
- (c) we will not without the Security Trustee's prior written consent amend or vary any rights attaching to the Account; and
- (d) we will not exercise and unconditionally and irrevocably waive any right of combination or consolidation of accounts, security, set-off or lien or similar rights (howsoever described) which we may have now or in the future in respect of the Account or over any monies standing to the credit of the Account.

The provisions of this acknowledgement (and any non-contractual obligations arising out of or in connection with it) are governed by English law.

.....
For and on behalf of
[account holding institution]

SCHEDULE 7

Insurances - Form of notice of assignment and acknowledgement

To: [insert name and address of insurer]

Dated: [•]

Dear Sirs

Re: [identify the relevant insurance policy(ies)] (the "Policy(ies)")

We notify you that we have assigned absolutely, by way of security, to LDC (Mangers) Limited (the "Security Trustee") all our right, title and interest in the Policy(ies) as security for certain obligations owed by us to the Security Trustee.

We further notify you that:

1. you may continue to deal with us in relation to the Policy(ies) until you receive written notice to the contrary from the Security Trustee. Thereafter, we will cease to have any right to deal with you in relation to the Policy(ies) and therefore from that time you should deal only with the Security Trustee;

you are authorised to disclose information in relation to the Policy(ies) to the Security Trustee on their request; and

the provisions of this notice may only be revoked or amended with the prior written consent of the Security Trustee.

We will remain liable to perform all our obligations under the Policy(ies) and the Security Trustee is under no obligation of any kind whatsoever under the Policy(ies) nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Policy(ies).

Please sign and return the enclosed copy of this notice to the Security Trustee (with a copy to us) by way of confirmation that:

- 3.1 you agree to act in accordance with the provisions of this notice;
- 3.2 you will not amend, waive or release any right, interest or benefit in relation to the Policy(ies) (or agree to do the same) without the prior written consent of the Security Trustee;
- 3.3 the interest of the Security Trustee as assignee has been noted against the Policy(ies) ;
- 3.4 after receipt of written notice in accordance with paragraph 1, you will pay all monies to which we are entitled under the Policy(ies) direct to the Security Trustee (and not to us) unless the Security Trustee otherwise agrees in writing;
- 3.5 you will notify the Security Trustee if you propose to repudiate, rescind or cancel any Policy(ies), to treat [it/them] as avoided in whole or in part, to treat [it/them] as expired due to non-payment of premium or otherwise decline any valid claim under [it/them] by or on behalf of any insured party; and
- 3.6 you have not received notice that we have assigned or charged our rights under the Policy(ies) to a third party or created any other interest in the Policy(ies) in favour of a third party.

The provisions of this notice and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully

.....
for and on behalf of
[the relevant Chargor]

[On acknowledgement copy]

To: LDC (Mangers) Limited

[address]

Copy to: [the relevant Chargor]

We acknowledge receipt of the above notice and the notifications therein, agree to abide by its terms and confirm the matters set out in paragraphs 3.1 to 3.6 (inclusive) of that notice.

.....
for and on behalf of
[insert name of insurer]

Dated: [•]

SCHEDULE 8
Security Accession Deed

This Security Accession Deed is made on

20[•][•]

PARTIES

- (1) [] LIMITED a company/PLC incorporated and registered [in England and Wales] (registered number [•]) whose registered office is at [•] (the **New Chargor**); and
- (2) [**SECURITY TRUSTEE**] LIMITED a company/PLC incorporated and registered [in England and Wales] (registered number []) whose registered office is at [] as security trustee for the Secured Parties (the **Security Trustee**).

INTRODUCTION

- (A) This accession deed is supplemental to a Guarantee and Debenture (the **Guarantee and Debenture**) dated [] between the Chargors named in that Guarantee and Debenture and the Security Trustee (as previously supplemented and amended by earlier Security Accession Deeds, if any).
- (B) This document is intended to take effect as a deed despite the fact the Security Trustee may only execute it under hand.

This Security Accession Deed witnesses as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 Unless a contrary intention appears, words and expressions defined in the Guarantee and Debenture shall have the same meaning in this Security Accession Deed.
- 1.2 The terms defined in the Guarantee and Debenture apply to this accession deed as though they were set out in full in this accession deed, except that references to "this Deed" will be construed as references to this accession deed.
- 1.3 The schedules to this accession deed form part of this accession deed as if set out in the body of this accession deed.
- 1.4 For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the other Transaction Documents and of any side letters between any parties relating to any Transaction Document are incorporated into this accession deed to the extent necessary to ensure that any disposition of property in this accession deed is valid under that section.
- 1.5 In this Deed, unless the context otherwise requires, the following definitions shall apply:

Accession Shares

- (a) the shares described in Part 3 (*Shares*) of the schedule to this Security Accession Deed;
- (b) all shares present and future held by the New Chargor in any company from time to time whether certificated or uncertificated, physical or dematerialised, registered or unregistered and whether held directly by or to the order of the New Chargor or by a trustee, custodian, fiduciary, clearance system or nominee on its behalf (including all rights against any such trustee, custodian, fiduciary, clearance system or nominee);
- (c) all Derivative Assets in relation to the shares referred to in paragraph (a) and (b); and
- (d) all Related Rights in respect of paragraphs (a) to (c) (inclusive).

Assigned Contract

each contract specified in Part 4 (*Assigned Contracts*) of the schedule to this Security Accession Deed;

Blocked Accounts

[insert description,]

Other Accounts
[insert description;]

CONFIRMATION

The New Chargor confirms it has read and understood the content of the Guarantee and Debenture.

ACCESSION

With effect from the date of this Security Accession Deed, the New Chargor becomes a party to, and will be bound by the terms of, and assume the obligations and duties of a Chargor under, the Guarantee and Debenture as if it had been an Original Chargor.

GUARANTEE

The New Chargor irrevocably and unconditionally jointly and severally:

- 4.1 guarantees to each Secured Party punctual performance by each other Chargor of all that other Chargor's obligations under the Transaction Documents;
- 4.2 undertakes with each Secured Party that whenever another Chargor does not pay any amount when due under, or in connection with, any Transaction Document, the New Chargor shall immediately on demand pay that amount as if it was the principal obligor; and
- 4.3 agrees with each Secured Party that if any obligation guaranteed by it is or becomes enforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Secured Party immediately on demand against any cost, loss or liability it incurs as a result of a Chargor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Transaction Document on the date when it would have been due. The amount payable under this indemnity will not exceed the amount it would have had to pay under this clause 4 if the amount claimed had been recoverable on the basis of a guarantee.

COVENANT TO PAY

The New Chargor as primary obligor covenants with the Security Trustee (as trustee for the Secured Parties) that it will on demand pay and discharge to the Security Trustee the Secured Liabilities when the same fall due for payment and discharge.

SECURITY

- 6.1 Without prejudice to the generality of Clause 3 (*Accession*), the New Chargor with full title guarantee in favour of the Security Trustee:
 - 6.1.1 charges by way of legal mortgage, all of the Property described in Part 1 (*The Property*) of the schedule to this Security Accession Deed (other than any Excluded Property);
 - 6.1.2 charges by way of first fixed charge:
 - (a) each Property (including the Property described in Part 1 (*The Property*) of the schedule to this Security Accession Deed) (other than to the extent effectively mortgaged under sub-clause 6.1.1 above or any Excluded Property;)
 - (b) all Plant and Machinery;
 - (c) all Accession Shares;
 - (d) all Debts;
 - (e) all Other Accounts;
 - (f) all Investments;
 - (g) all Intellectual Property Rights, including the Intellectual Property Rights described in Part 2 (*Intellectual Property Rights*) of the schedule to this Security Accession Deed;

- (h) any VAT which it is entitled to recover and any other tax refund, rebate or repayment and any sums so received;
- (i) any Charged Agreements;
- (j) its goodwill and uncalled capital;
- (k) the benefit of all Authorisations held or utilised by it in connection with its business or the used of any of its assets and the right to recover and receive compensation payable in respect of any of them;
- (l) if not effectively assigned by Clause 6.1.3 below, all its rights and interests in (and claims under) the assets described in sub-clause 6.1.3; and
- (m) all Related Rights in respect of each of the above.

6.1.3 by way of absolute assignment by way of security:

- (a) all Insurance Proceeds;
- (b) any proceeds of sale of its Property;
- (c) the Lease Documents;
- (d) each Relevant Agreement to which it is a party;
- (e) each Blocked Account, any amount standing to the credit of each Blocked Account and the debt represented by each Blocked Account; and
- (f) all Related Rights in respect of each of the above.

6.1.4 by way of first floating charge, all its undertaking and assets (wherever located and whether present or future) other than those assets which are effectively charged by way of first fixed charge or legal mortgage under Clauses 6.1.1 and 6.1.2 above or which are effectively assigned by way of security under sub-clause 6.1.3 above.

6.2 Notwithstanding the other terms of Clause 6.1.3 prior to the occurrence of an Event of Default, the New Chargor may, subject to the other terms of the Transaction Document, continue to execute all and any of its rights under and in connection with the Relevant Agreements.

6.3 The floating charge created by Clause 6.1.4 above is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

CONSTRUCTION

Save as specifically varied in respect of the New Chargor only, the Guarantee and Debenture shall continue and remain in full force and effect and this Security Accession Deed shall be read and construed as one with the Guarantee and Debenture so that all references to "this Deed" in the Guarantee and Debenture shall include reference to this Security Accession Deed.

8. REPRESENTATIONS AND WARRANTIES

8.1 The Acceding Chargor makes the representations and warranties in this clause 8 to the Security Trustee.

8.1.1 Status

- (a) It is a limited company duly organised, validly existing and registered under the relevant laws of its jurisdiction of incorporation; and
- (b) It has the power and all necessary governmental and other consents, approvals, licences and authorities to own its assets and carry on its business as it is being conducted.

8.1.2 Authority

It is empowered to enter into and perform its obligations contained in this accession deed and in the Guarantee and Debenture and has taken all necessary action to authorise the execution, delivery and performance of this accession deed and the Guarantee and Debenture, to create the security to be constituted

by this accession deed and the Guarantee and Debenture and to observe and perform its obligations under this accession deed and the Guarantee and Debenture.

8.1.3 Binding obligations

The obligations expressed to be assumed by it in this accession deed and the Guarantee and Debenture are legal, valid, binding and enforceable obligations.

8.1.4 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, this accession deed and the Guarantee and Debenture and the granting of this accession deed and security constituted by this accession deed and the Guarantee and Debenture do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument.

8.1.5 Property

All Property beneficially owned by it at the date of this accession deed is identified in schedule 1 to this accession deed;

8.1.6 Securities

It is the legal and beneficial owner of the Subsidiary Shares identified against its name in schedule 3 to this accession deed (or, in the case of any held by a nominee its behalf, the beneficial owner).

8.1.7 Other Security Assets

It is the legal and beneficial owner of the other Security Assets.

8.1.8 Environmental matters

- (a) It has complied with all Environmental Laws applicable to the Security Assets and its business.
- (b) There has been no discharge, spillage, release or emission of any prescribed, dangerous, noxious or offensive substance or any controlled waste on, into or from any Security Asset or any adjoining premises and no such substances or any controlled waste have been stored or disposed of on any Security Asset or, so far as that Chargor is aware, in any adjoining premises except in accordance with the requirements of the applicable Environmental Laws.
- (c) It is not in breach of and has not incurred or become subject to any civil or criminal liability under any Environmental Laws and it has not done anything or omitted to do anything which could result in any liability being imposed on the Security Trustee under any Environmental Law.

8.2 Matters represented

Each of the representations and warranties in clause 8.1 will be correct and complied with in all material respects at all times during the continuance of this Security.

POWER OF ATTORNEY

9.1 The New Chargor, by way of security, irrevocably and severally appoints each of the Security Trustee and any Receiver (and any of their Delegates) as its attorney (with full power of substitution and delegation) in its name and on its behalf and to:

9.1.1 execute, deliver and perfect all deeds, instruments and other documents; and

9.1.2 to do or cause to be done all acts and things,

in each case:

- (a) following an Event of Default which is continuing; or
- (b) following a written request made by the Security Trustee to a Chargor to (i) execute, seal and/or deliver (using the company seal where appropriate) and otherwise perfect any deed, instrument and other document and/or (ii) to take any other action in each case which that Chargor is obliged to execute, deliver, take or otherwise do under this Deed, and such request has not been fully complied with within 5 Business Days of such request having been made.

9.2 The New Chargor covenants with each of the Security Trustee and any Receiver (or any of their Delegates) to ratify and confirm all such acts or things made, done or executed by that attorney.

TRANSACTION DOCUMENT

This Security Accession Deed is a Transaction Document.

COUNTERPARTS

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

GOVERNING LAW AND JURISDICTION

Clause 28 (*Governing law*) and 29 (*Jurisdiction*) of the Guarantee and Debenture shall be incorporated in this Deed as if set out here in full but so that references to the Guarantee and Debenture shall be construed as references to this Deed.

This Deed has been signed on behalf of the Security Trustee and executed as a deed by the [Parent] and the New Chargor and is delivered on the date given at the beginning of this Deed

Schedule to Security Accession Deed

Part 1 – Property

Chargor	Address or Description of Property	Title Number (if registered)

Part 2 - Intellectual Property Rights

Trade marks					
Chargor	Trade number	mark	Jurisdiction	Classes	Trade mark text

Patents			
Chargor	Patent number	Jurisdiction	Description

Designs			
Chargor	Design number	Jurisdiction	Description

Part 3 - Shares

Chargor	Issuer of shares	Number and class of shares	Details of nominees (if any) holding legal title to shares

Part 4 - Assigned Contracts

Name of Chargor	Date of contract	Parties to contract	Details of contract

SIGNATURES TO THE SECURITY DEED OF ACCESSION

Parent

Executed as a deed by)
[•] Limited/plc) Director
acting by two directors or by a director and its)
secretary)
) Director/Secretary

OR

Executed as a deed by)
[•] Limited/plc)
acting by a director in the presence of) Director

.....
Signature of witness

Name

Address

New Chargor

Executed as a deed by)
◆ Limited/plc) Director
acting by two directors or by a director and its)
secretary)
) Director/Secretary

OR

Executed as a deed by)
◆ Limited/plc)
acting by a director in the presence of) Director

.....
Signature of witness

Name

Address

Security Trustee

Signed by _____)
Director)
for and on behalf of)
LDC (MANAGERS) LIMITED)
)

SCHEDULE 9

Powers of Receiver

1. POSSESSION

Take immediate possession of, get in and collect the Security Assets or any part thereof.

CARRY ON BUSINESS

Carry on, manage or concur in carrying on or managing the whole or any part of the business of any Chargor as he in his discretion may think fit.

PROTECTION OF ASSETS

- 3.1 Manage, insure, repair, decorate, maintain, alter, improve, develop, construct, modify, refurbish, renew or add to the Security Assets or concur in so doing;
 - 3.2 commence, continue or complete any new works, unfinished work, building operations, construction, reconstruction, maintenance, furnishing, finishing or fitting-out on the Property;
 - 3.3 apply for and maintain any planning permissions, building regulations, approvals and any other permissions, consents or licences,
- in each case as he in his discretion may think fit.

REALISATION OF ASSETS

Sell, exchange, convert into money and realise the Security Assets or concur in so doing by public auction or private contract and generally in such manner and on such terms as he in his discretion may think fit. Without prejudice to the generality of the foregoing, he may do any of these things for any valuable consideration, whether full market value or otherwise, including, without limitation, cash, shares, stock, debentures or other obligations. Any such consideration may be payable in a lump sum or by instalments spread over such period as he in his discretion may think fit.

LET, HIRE OR LEASE

- 5.1 Let, hire or lease (with or without premium) and accept surrenders of leases or tenancies or concur in so doing;
- 5.2 grant rights, options or easements over and otherwise deal with or dispose of, and exercise all rights, powers and discretions incidental to, the ownership of the Security Assets;
- 5.3 exchange or concur in exchanging the Security Assets;

in each such case in such manner and generally on such terms as he may in his discretion think fit, with all the powers of an absolute beneficial owner. The Receiver may exercise any such power by effecting such transaction in the name or on behalf of the relevant Chargor or otherwise.

REGISTRATION

Use a Chargor's name to effect any registration or election for tax or other purposes.

INSURANCES

Effect, review or vary insurances.

BORROWING

For the purpose of exercising any of the powers, authorities or discretions conferred on him by or pursuant to this Deed or of defraying any costs (including, without limitation, his remuneration) which are incurred by him in the exercise of such powers, authorities or discretions or for any other purpose, to raise and borrow money or incur any other liability either unsecured or secured on the Security Assets, either in priority to the Security created by this Deed or otherwise, and generally on such terms as he in his discretion may think fit. No person lending such money is to be concerned to enquire as to the propriety or purpose of the exercise of such power or as to the application of money so raised or borrowed.

LENDING

Lend money to any person.

ADVANCE CREDIT

Advance credit, in the ordinary course of a Chargor's business, to any person.

MAKE CALLS

Make, or require the directors of any Chargor to make, such calls upon the shareholders of that Chargor in respect of any uncalled capital of that Chargor as the Receiver in his discretion may require and enforce payment of any call so made by action (in the name of that Chargor or the Receiver as the Receiver in his direction may think fit) or otherwise.

COMPROMISE

- 12.1 Settle or compromise any claim by, adjust any account with, refer to arbitration any dispute with, and deal with any question or demand from, any person who is, or claims to be, a creditor of any Chargor, as he may in his discretion think fit; and
- 12.2 settle or compromise any claim, adjust any account, refer to arbitration any dispute and deal with any question or demand relating in any way to the Security Assets, as he in his discretion may think fit.

PROCEEDINGS

In the name of any Chargor, bring, prosecute, enforce, defend or abandon all such actions, suits and proceedings in relation to the Security Assets as he in his discretion may think fit.

SUBSIDIARIES

- 14.1 Promote the formation of any subsidiary of any Chargor with a view to such subsidiary purchasing, leasing, licensing or otherwise acquiring an interest in the Security Assets;
- 14.2 arrange for the purchase, lease, licence or acquisition of an interest in the Security Assets by any such subsidiary for any valuable consideration, including, without limitation, cash, shares, debentures, loan stock, convertible loan stock or other securities, profits or a sum calculated by reference to profits, turnover, royalties, licence fees or otherwise, whether or not secured on the undertaking or assets of such subsidiary and whether or not such consideration is payable or receivable in a lump sum or at any time or any number of times by instalments spread over such period, as the Receiver in his discretion may think fit; and
- 14.3 arrange for such subsidiary to trade or cease to trade as the Receiver in his discretion may think fit;

EMPLOYEES

Appoint and discharge any manager, officer, agent, professional adviser, employee and any other person, upon such terms as he in his discretion may think fit.

RECEIPTS

Give valid receipts for all monies and execute all assurances and things which he in his discretion may think proper or desirable for realising the Security Assets.

DELEGATION

Delegate any or all of his powers in accordance with this Deed.

SCHEDULE 10
Form of Supplemental Legal Charge

THIS SUPPLEMENTAL LEGAL CHARGE is made the day of 20[•]

AMONG:

- (1) [•] having its registered office at [•] (the "Chargor"); and
 - (2) LDC (Managers) Limited as agent and trustee for the Secured Parties (the **Security Trustee**),
- and is supplemental to the Guarantee and Debenture (as defined below).

BACKGROUND

- (A) This Supplemental Legal Charge is implemented to the Guarantee and Debenture pursuant to which the Chargor charged, amongst other things, freehold and leasehold properties to the Security Trustee to secure payment and all monies and liabilities covenanted to be paid or discharged in the Guarantee and Debenture.
- (B) The Chargor is entering into this Supplemental Legal Charge pursuant to 4.7.3 of the Guarantee and Debenture in order to protect the first equitable charge created over the Mortgaged Property (as defined below) granted under the Guarantee and Debenture into a legal charge over the Mortgaged Property to secure the monies and liabilities covenanted to be paid or discharged by the Chargor in the Guarantee and Debenture.
- (C) The Board of Directors or the board of managers (as applicable) of the Chargor is satisfied that the giving of the security contained or provided for in this Supplemental Legal Charge is in the interests of the Chargor and has passed a resolution to that effect.

NOW THEREFORE IT IS HEREBY AGREED as follows:

1. INTERPRETATION

Definitions

- 1.1 In this Supplemental Legal Charge:

"Guarantee and Debenture": the debenture dated [•] between, amongst others, the Chargor and the Security Trustee (on behalf of the Secured Parties) as supplemented, acceded to and amended from time to time;

"Mortgaged Property": the freehold and leasehold property specified in the Schedule hereto (*Mortgaged Property*) and includes all buildings and fixtures on that property, the proceeds of sale of any part of that property, any licence, agreement for sale or agreement for lease in relation to that property, the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property and any monies paid or payable in respect of those covenants.

Interpretation

- 1.2 The provisions set out at Clause 1 of the Guarantee and Debenture shall apply equally to this Supplemental Legal Charge.
- 1.3 This Supplemental Legal Charge is a Transaction Document.

2. FIXED SECURITY

Mortgage

- 2.1 The Chargor charges by way of first legal mortgage all its right title and interest in the Mortgaged Property.

Fixed Charge

- 2.2 To the extent not validly and effectively charged by way of first legal mortgage pursuant to Clause 2.1 (*Mortgage*) above, as security for the payment of the Secured Liabilities, the Chargor charges by way of first fixed charge the Mortgaged Property

3. LAND REGISTRY

In respect of the Mortgaged Property specified in the Schedule the Chargor consents to a restriction being registered at HM Land Registry. The restriction will be as follows:

"No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [●] in favour of LDC (Managers) Limited referred to in the charges register."

4. CONTINUATION

- 4.1 References in the Guarantee and Debenture to "this Guarantee and Debenture", "this Deed", "hereof", "hereunder" and expressions of similar import shall be deemed to be references to the Guarantee and Debenture as amended by this Supplemental Legal Charge and to this Supplemental Legal Charge.

- 4.2 This Supplemental Legal Charge is supplemental to the Guarantee and Debenture. On and from the date of this Supplemental Legal Charge:

- (a) the Supplemental Legal Charge and the Guarantee and Debenture shall be read and construed as one document and in particular the property charged pursuant to Clause 2 of the Guarantee and Debenture and the definition of "Property" shall include the Mortgaged Property described in the Schedule hereto; and
- (b) the Chargor acknowledges that references to the "Guarantee and Debenture" in any Transaction Document is a reference to the Guarantee and Debenture as amended by this Supplemental Legal Charge.

- 4.3 Except insofar as supplemented hereby, the Guarantee and Debenture will remain in full force and effect.

5. COUNTERPARTS

This Supplemental Legal Charge may be executed in any number of counterparts and all of those counterparts taken together shall be deemed to constitute one and the same instrument.

6. GOVERNING LAW AND JURISDICTION

Clause 28 (*Governing law*) and 29 (*Jurisdiction*) of the Guarantee and Debenture shall be incorporated in this Deed as if set out here in full but so that references to the Guarantee and Debenture shall be construed as references to this Deed.

This Deed has been signed on behalf of the Security Trustee and executed as a deed by the Chargor and is delivered on the date given at the beginning of this Deed.

**SCHEDULE TO THE SUPPLEMENTAL LEGAL CHARGE
MORTGAGED PROPERTY**

[•]

SIGNATORIES TO THE SUPPLEMENTAL LEGAL CHARGE

Chargor

Executed as a deed by)
♦ Limited/plc) Director
acting by two directors or by a director and its)
secretary)
) Director/Secretary

OR

Executed as a deed by)
♦ Limited/plc)
acting by a director in the presence of) Director

.....
Signature of witness

Name

Address

.....

Security Trustee

Signed by _____)
Director)
for and on behalf of)
LDC (MANAGERS) LIMITED)
)

SIGNATORIES TO THE GUARANTEE AND DEBENTURE

CL

CHARGORS

EXECUTED as a DEED by AQUAVISTA)
WATERSIDES TOPCO LTD acting by a)
director in the presence of:)

[Redacted Signature] Director

Signature of witness [Redacted Signature]

Witness Name EMILY DRIVER

(in BLOCK CAPITALS)

Address GATELEY LEGAL, ONE ELEVEN,
ROMUND STREET, BIRMINGHAM B3 2HJ

Notice details:

Address:

Sawley Marina
Long Eaton
Nottinghamshire
NG10 3AE

Fax:

Attention: RUSSEL JANG

EXECUTED as a DEED by PROJECT)
BELIZE LIMITED acting by a director in the)
presence of:)

[Redacted Signature] Director

Signature of witness [Redacted Signature]

Witness Name EMILY DRIVER

(in BLOCK CAPITALS)

Address GATELEY LEGAL, ONE ELEVEN,
ROMUND STREET, BIRMINGHAM B3 2HJ

Notice details:

Address:

Sawley Marina
Long Eaton
Nottinghamshire
NG10 3AE

Fax:

Attention: RUSSEL JANG

EXECUTED as a DEED by AQUAVISTA)
WATERSIDES 2 LTD acting by a director in)
the presence of:)

.....
Director

Signature of witness

Witness Name
(in BLOCK CAPITALS)
Address

EMILY DRIVER
GATELEY LEGAL, ONE ELEVEN,
EDMUND STREET, BIRMINGHAM
B3 2HJ

Notice details:

Address:

Sawley Marina
Long Eaton
Nottinghamshire
NG10 3AE

Fax:

Attention: RUSSEL JANG

EXECUTED as a DEED by AQUAVISTA)
WATERSIDES LTD acting by a director in)
the presence of:)

.....
Director

Signature of witness

Witness Name
(in BLOCK CAPITALS)
Address

EMILY DRIVER
GATELEY LEGAL, ONE ELEVEN,
EDMUND STREET, BIRMINGHAM
B3 2HJ

Notice details:

Address:

Sawley Marina
Long Eaton
Nottinghamshire
NG10 3AE

Fax:

Attention: RUSSEL JANG

SECURITY TRUSTEE

SIGNED by **CHRIS HANDY** as
attorney for **LDC (MANAGERS) LIMITED** in
the presence of:



Attorney

Signature of witness



Witness Name
(in BLOCK CAPITALS)
Address

EMILY DRIVER
CATELEY LEGAL, ONE ELEVEN,
EDMUND STREET, BIRMINGHAM
B3 2HT

Notice details:

Address:
One Vine Street
London
OAH

Fax:

Attention: **CHRIS HANDY**