



Registration of a Charge

Company Name: **RODDY NEW HOMES LIMITED**

Company Number: **11886872**



Received for filing in Electronic Format on the: **09/12/2022**

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Details of Charge

Date of creation: **09/12/2022**

Charge code: **1188 6872 0001**

Persons entitled: **SALBOY PARTNERSHIPS LIMITED**

Brief description: **BY WAY OF FIRST LEGAL MORTGAGE ALL ESTATES AND INTERESTS IN ANY FREEHOLD OR LEASEHOLD PROPERTY NOW OWNED BY THE CHARGOR. BY WAY OF FIRST FIXED CHARGE ALL ESTATES OR INTERESTS IN ANY FREEHOLD OR LEASEHOLD PROPERTY NOW OR IN THE FUTURE OWNED BY THE CHARGOR. BY WAY OF FIRST FIXED CHARGE ALL THE CHARGOR'S INTELLECTUAL PROPERTY (AS DEFINED IN 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 THE ELECTRONIC COPY INSTRUMENT DELIVERED
AS PART OF THIS APPLICATION FOR REGISTRATION IS A
CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **STEELE RAYMOND LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 11886872

Charge code: 1188 6872 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 9th December 2022 and created by RODDY NEW HOMES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 9th December 2022 .

Given at Companies House, Cardiff on 13th December 2022

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**

Final form

Security Agreement - All Assets Debenture

between

Roddy New Homes Limited
as Chargor

and

Salboy Partnerships Limited
as Lender

in relation to a facility letter dated *9 December 2022* between Roddy New Homes Limited and Salboy Partnerships Limited

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THIS DEED is dated 9 December 2022 and is made

BETWEEN:

- (1) **RODDY NEW HOMES LIMITED** registered in England as a limited company with registered number 11886872 and having its registered address at Unit 3, Birchwood One Business Park, Dewhurst Road, Birchwood, Warrington, England, WA3 7GB (the "Chargor") ; and
- (2) **SALBOY PARTNERSHIPS LIMITED** registered in England as a limited liability company with registered number 13626842 and having its registered address at Unit 3, Birchwood One Business Park, Dewhurst Road, Birchwood, Warrington, England, WA3 7GB (the "Lender").

BACKGROUND:

- (A) The Lender has agreed to make available to the Chargor a loan facility under the Facility Letter .
- (B) As a condition precedent to the loan facility being made available to the Chargor under the Facility Letter the Chargor enters into this Deed in order to secure its obligations under the Facility Letter in favour of the Lender.
- (C) This is a Security Document as defined in the Facility Letter.
- (D) The Lender and the Chargor intend this document to take effect as a deed even though a Party may only execute it under hand.

IT IS AGREED as follows:

1. **Interpretation**

1.1 **Definitions**

Unless otherwise provided capitalised terms used in this Deed have the same meaning as given to them in the Facility Letter. In addition, when used in this Deed the following capitalised terms have the meaning given to them as set out below:

"Authorisation" means an authorisation, consent, approval, resolution, license, exemption, filing, notarisation or registration.

"Assigned Contracts" means:

- (A) the Professional Appointment Agreement;
- (B) any acquisition agreement or ancillary agreement to which the Chargor is a party relating to the acquisition of the Property or the shares in any company which owns the Property; any Loan Agreement; and
- (C) any other contract designated as an Assigned Contract by the Security Agent and the Chargor.

"Charged Property" means all of the assets of the Chargor which from time to time are, or are expressed to be, subject to the Transaction Security.

"Delegate" means any delegate or sub delegate appointed under Clause 21 (*Delegation*).

"Enforcement Event" means an Event of Default which occurs and is continuing and in respect of which a notice has been issued by the Lender under clause 12 (*Events of Default*) of Schedule 2 (*Standard Terms for Property Acquisition and Development Loans*) of the Facility Letter.

"Facility Letter" means the facility letter (incorporating standard terms) originally dated ^{9 December} [•] 20[2]2 between, amongst others, the Lender and the Chargor.

"Intellectual Property" means:

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

"Investments" means any securities and investments of any kind (including shares, stock, debentures, units, depositary receipts, bonds, notes, commercial paper and certificates of deposit), warrants, options or other rights to subscribe for, purchase or otherwise acquire securities and investments now or in the future owned by the Chargor or (to the extent of its interest) in which it now or in the future has any interest, including but not limited to any shares in any subsidiary companies / Roddy New Homes SPV 2 Limited owned by the Chargor .

"Loan Agreement" means a loan agreement dated on or around the date hereof and entered into between the Chargor in its capacity as a Lender and Roddy New Homes SPV 2 Limited (Company number (13915219)

"LPA" means the Law of Property Act 1925.

"Mortgaged Property" means any freehold or leasehold property included in the definition of Charged Property, including the property if any specified Schedule 3 (*the Mortgaged Property*).

"Party" means a party to this Deed.

"Receipts Account" means the account designated as such, and defined, in the Facility Letter.

"Receiver" means a receiver, receiver and manager or administrative receiver of the whole or any part of the Charged Property.

"Related Rights" means:

- (A) the benefit of all affidavits, consents, renunciations, guarantees, indemnities, waivers and postponements from occupiers and other persons having an interest in or rights in connection with the relevant Property;
- (B) each right of action of the Chargor against any person (including the Developer and, to the extent assignable by the Chargor, any solicitor, licensed conveyancer, qualified

conveyancer, valuer, registrar or registry or other person in connection with any report, valuation, opinion, certificate or other statement of fact or opinion given or received; and

- (C) the benefit of (including the rights as the insured person under and as notations of interest on, and returns of premium and proceeds of claims under) insurance taken out by or on behalf of the relevant Chargor deposited, charged, obtained, or held in connection with the Property.

"Secured Liabilities" means all present and future moneys, debts, liabilities and obligations due, owing or incurred by the Chargor to the Lender under or in connection with the Finance Documents (in each case whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently and whether as principal, surety or otherwise).

"Secured Party" means the Lender, a Receiver or any Delegate.

"Security Period" means the period beginning on the date of this Deed and ending on the date on which the Lender is satisfied that all the Secured Liabilities have been irrevocably paid in full and that all facilities which might give rise to any Secured Liabilities have been terminated.

"Transaction Security" means the Security created or expressed to be created in favour of Lender pursuant to this Deed.

1.2 Construction

- (A) Any reference in this Deed to a "Finance Document" or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended, restated (however fundamentally and whether or not more onerous) or replaced and includes any change in the purpose of, any extension of or any increase in any facility under that Finance Document or other agreement or instrument.
- (B) The other provisions of Clauses 1.2 and 1.3 of Schedule 2 (*Standard Terms for Property Acquisition and Development Loans*) of the Facility Letter apply to this Deed as if set out in full in this Deed with all necessary changes.
- (C) A reference in this Deed to the singular includes the plural and vice versa.
- (D) Unless a contrary indication appears, a reference in this Deed to **"Charged Property"** includes any part of that Charged Property and the proceeds of that Charged Property.
- (E) Each of the undertakings given by the Chargor in this Deed remain in force from the date of this Deed until the end of the Security Period.
- (F) Each representation and warranty expressed to be made by the Chargor in this Deed is made by the Chargor on the date of this Deed and is deemed to be repeated on each day during the Security Period by reference to the facts and circumstances then existing.

1.3 Disposition of property

The terms of the other Finance Documents and of any agreement, document or side letter between the Parties are incorporated into this Deed to the extent required for any purported disposition of

all or any part of any freehold or leasehold property contained in this Deed to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.4 Facility Letter undertakings

This Deed is intended as an all assets debenture but is without prejudice to the undertakings in the Facility Letter which restrict the Chargor from carrying on certain activities otherwise than as specifically permitted by the Facility Letter. For the avoidance of doubt, in the event that the Chargor breaches those undertakings by acquiring assets it is not otherwise permitted to own pursuant to the terms of the Facility Letter, the provisions in this Deed relating to such assets shall apply.

1.5 Secured Liabilities

The Chargor expressly acknowledges and agrees and confirms its intention in entering into this Deed that references in this Deed to the Secured Liabilities shall be construed in relation to the Finance Documents so as to include (without limitation) (i) any increase or reduction in any amount made available thereunder and/or any alteration and/or addition to the purposes for which any such amount, or increased or reduced amount, may be used, (ii) any ancillary facilities provided in substitution for or in addition to the facilities originally made available thereunder, (iii) any rescheduling of the indebtedness incurred thereunder whether in isolation or in connection with any of the foregoing and (iv) any combination of any of the foregoing.

2. Covenant to Pay

The Chargor shall pay each of the Secured Liabilities when due or, if they do not specify a time, on demand.

3. Creation of Security

3.1 Security generally

All the Transaction Security:

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

3.2 Land

- (A) The Chargor charges:
 - (1) by way of a first legal mortgage all estates or interests in any freehold or leasehold property now owned by it and all rights under any licence or other agreement or document which gives the Chargor a right to occupy or use that property; and

- (2) (to the extent that they are not the subject of a legal mortgage under Clause 3.2(A)(1)) by way of first fixed charge all estates or interests in any freehold or leasehold property now or in the future owned by it and all rights under any licence or other agreement or document which gives the Chargor a right to occupy or use that property.
- (B) A reference in this Deed to a mortgage or charge of any freehold or leasehold property includes:
 - (1) each and every part of that property, including the buildings, structures, fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery now or in the future on that property and all easements and rights attaching to it; and
 - (2) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

3.3 Investments

- (A) The Chargor charges by way of a first fixed charge all of its rights and interests in its Investments.
- (B) A reference in this Deed to any mortgage or charge of any Investments includes:
 - (1) any dividend or interest paid or payable in relation to it;
 - (2) any right, money or property accruing or offered at any time in relation to it by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise; and
 - (3) any right against any clearance system in relation to it.

3.4 Contracts

- (A) The Chargor assigns absolutely (subject to the obligation to re-assign to the Chargor in the circumstances described in Clause 25 (*Release of Security*)), to the Lender all of its rights and interests **under each Assigned Contract**.
- (B) To the extent that any such right described in Clause 3.4(A) is not capable of assignment, the assignment of that right purported to be effected by Clause 3.4(A) shall operate as an assignment of any damages, compensation, remuneration, profit, rent or income which the Chargor may derive from that right or be awarded or entitled to in respect of that right.
- (C) To the extent that they do not fall within any other part of this Clause or are not effectively assigned under Clauses 3.4(A) and 3.4(B), the Chargor charges by way of first fixed charge all of its rights under each agreement or document to which it is a party.
- (D) If the Chargor assigns an agreement or document under this Deed (or charges it by way of a first fixed charge) and the assignment or charge breaches a term of that agreement or document because a third party's consent has not been obtained:
 - (1) the Chargor shall notify the Lender immediately;

- (2) unless the Lender otherwise requires, the Chargor shall, use all reasonable endeavours to obtain the consent as soon as practicable; and
- (3) the Chargor shall promptly supply to the Lender a copy of the consent obtained by it.

3.5 Bank Accounts

The Chargor charges by way of a first fixed charge all of its rights in respect of any amount standing to the credit of the Accounts and any other bank account in its name or to which it is beneficially entitled and the debt represented by such account.

3.6 Book debts etc.

The Chargor charges by way of a first fixed charge:

- (A) all of its book and other debts;
- (B) all other moneys due and owing to it; and
- (C) the benefit of the Related Rights and all other rights, securities or guarantees of any nature enjoyed or held by it in relation to any item under Clause 3.6(A) and Clause 3.6(B).

3.7 Insurances

- (A) The Chargor assigns absolutely (subject to the obligation to re-assign to the Chargor in the circumstances described in Clause 25.1 (*Release*)) to the Lender:
 - (1) all of its rights in respect of any contract or policy of insurance taken out by it or on its behalf or in which it has an interest; and
 - (2) all monies payable and all monies paid to it under or in respect of all such contracts or policies of insurance.
- (B) To the extent that any such right described in Clause 3.7(A) is not capable of assignment, the assignment of that right purported to be effected by Clause 3.7(A) shall operate as an assignment of any damages, compensation, remuneration, profit, rent or income which the Chargor may derive from that right or be awarded or entitled to in respect of that right.
- (C) To the extent that they do not fall within any other part of this clause or are not effectively assigned under Clause 3.7(A) or 3.7(B), the Chargor charges by way of first fixed charge all of its rights under each agreement or document to which it is a party.

3.8 Plant and machinery

The Chargor charges by way of a first fixed charge all fixed and moveable plant and machinery owned by it, its interest in any plant or machinery in its possession and the benefit of all related Authorisations, agreements and warranties.

3.9 Intellectual Property

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

3.10 Authorisations

The Chargor charges by way of first fixed charge the benefit of all Authorisations held by it in relation to any Charged Property, together with the right to recover and receive compensation which may be payable to it in respect of any Authorisation.

3.11 Goodwill

The Chargor charges by way of first fixed charge its goodwill.

3.12 Uncalled capital

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

3.13 Floating charge

- (A) The Chargor charges by way of first floating charge its undertaking and assets, both present and future not otherwise effectively mortgaged or charged under this Deed.
- (B) The floating charge created by the Chargor pursuant to Clause 3.13(A) is a "qualifying floating charge" for the purposes of paragraph 14 of Schedule B1 to the Insolvency Act 1986.
- (C) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to this Deed and the Lender may appoint an administrator to the Chargor pursuant to that paragraph.
- (D) The Lender may convert the floating charge created by this Deed over all or any of the Charged Property into a fixed charge by notice to the Chargor specifying the relevant Charged Property (either specifically or generally):
 - (1) while an Enforcement Event is continuing; and/or
 - (2) if the Lender (acting in good faith) considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process.
- (E) If:
 - (1) the Chargor takes any step to create any Security in breach of Clause 6.1 (*Negative pledge*) over any of the Charged Property not subject to a mortgage or fixed charge;
 - (2) an administrator is appointed or the Lender receives notice of an intention to appoint an administrator in respect of the Chargor; or
 - (3) any person takes any step to effect any expropriation, attachment, sequestration, distress or execution against any of the Charged Property,

the floating charge over the relevant Charged Property shall automatically and immediately be converted into a fixed charge.

4. **Continuing Security**

4.1 **Continuing Security**

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

4.2 **Additional security**

The Transaction Security:

- (A) is in addition to, and is not in any way prejudiced by, any other Security or other right now or subsequently held by the Lender; and
- (B) may be enforced against the Chargor without having recourse to any other rights of the Lender.

5. **Further Assurance**

- (A) The Chargor shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Lender may reasonably specify (and in such form as the Lender may reasonably require in favour of the Lender or its nominee(s)):
 - (1) to perfect the Transaction Security created or intended to be created under or evidenced by this Deed (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Transaction Security created by this Deed) or for the exercise of any rights, powers and remedies of the Lender provided by or pursuant to the Finance Documents or by law;
 - (2) to confer on the Lender security over any property and assets of the Chargor located in any jurisdiction equivalent or similar to the Security conferred or intended to be conferred by or pursuant to this Deed; and/or
 - (3) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Transaction Security created by this Deed.
- (B) The 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 Lender by or pursuant to this Deed.

6. **Restrictions on Dealing**

6.1 **Negative pledge**

The Chargor shall not create or permit to subsist any Security over any Charged Property except as permitted by the Facility Letter.

6.2 Disposals

The Chargor shall not (nor agree to) enter into a single transaction or series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, licence, transfer or otherwise dispose of any Charged Property except as permitted by the Facility Letter.

7. Land

7.1 The Land Registry

In the case of the Chargor's existing freehold or leasehold property, the Chargor shall:

- (A) promptly and in any event within any applicable priority period, apply to the Land Registry to register the Security created or expressed to be created by this Deed;
- (B) promptly submit to the Land Registry the duly completed form RX1 requesting a restriction in the form specified by the Lender to be entered on the register of title to that freehold or leasehold property in respect of the Security created or expressed to be created by this Deed;
- (C) promptly submit to the Land Registry a duly completed application to enter the obligation to make further loans or advances on the charges register of any registered land forming part of the Charged Property; and
- (D) promptly pay all appropriate registration fees.

7.2 Acquisitions

- (A) If the Chargor acquires any freehold or leasehold property after the date of this Deed it shall:
 - (1) notify the Lender immediately;
 - (2) immediately on request by the Lender and at the cost of the Chargor, execute and deliver to the Lender a legal mortgage in favour of the Lender of that freehold or leasehold property in any form which the Lender may require together with such constitutional documents, corporate authorisations and other matters as the Lender may require to verify that such document constitutes the Chargor's legal, valid, binding and enforceable obligations;
 - (3) if title to that freehold or leasehold property is registered at the Land Registry or is required to be so registered, promptly and in any event within any applicable priority period:
 - (a) apply to the Land Registry for first registration of that freehold or leasehold property (where that freehold or leasehold property is not already registered at the Land Registry) and registration of the Chargor as the registered proprietor of that freehold or leasehold property;
 - (b) apply to the Land Registry to register the Security created or expressed to be created by this Deed or any document entered into pursuant to Clause 7.2(A)(2);

- (c) submit to the Land Registry a duly completed form RX1 requesting a restriction in the form specified by the Lender to be entered on the register of title for that freehold or leasehold property;
- (d) submit to the Land Registry a duly completed application to enter the obligation to make further loans or advances on the charges register of any registered land forming part of the Charged Property; and
- (e) pay all appropriate registration fees.

(B) If the consent of the landlord in whom the reversion of a lease is vested is required for the Chargor to execute a legal mortgage over it, the Chargor shall not be required to perform that obligation unless and until it has obtained the landlord's consent. The Chargor shall use its reasonable endeavours to obtain the landlord's consent.

7.3 Deposit of title deeds

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

7.4 Investigation of title

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

- (A) carry out investigations of title to any Mortgaged Property; and
- (B) make such enquiries in relation to any part of any Mortgaged Property as a prudent mortgagee might carry out.

7.5 Title Information Document

On completion of the registration of any Security in respect of its Mortgaged Property, the Chargor shall promptly supply to the Lender a certified copy of the Title Information Document issued by the Land Registry.

7.6 Power to remedy

The Chargor shall permit the Lender and/or any of its representatives, agents or contractors, when the Lender believes that an Event of Default has occurred or might reasonably be expected to occur, to enter any Mortgaged Property and to take any steps which it believes necessary in relation to that Mortgaged Property. The Chargor shall immediately on demand by the Lender pay the costs and expenses of the Lender, its representatives, agents or contractors incurred in connection with any action taken under this clause.

8. Investments

8.1 Investments

The Chargor represents and warrants to the Lender:

- (A) those Investments are duly authorised, validly issued and fully paid and are not subject to any option to purchase or similar right;
- (B) the constitutional documents of the issuer(s) of those Investments do not restrict or inhibit the transfer of those Investments on creation or the enforcement of the Transaction Security;
- (C) it is the sole legal and beneficial owner of those Investments;
- (D) there are no agreements in force which provide for the issue or allotment of, or grant any person the right to call for the issue or allotment of, any share or loan capital of any issuer of those Investments (including any option or right of pre-emption or conversion); and
- (E) the Investments are the entire issued share capital of the issuer of those Investments.

8.2 **Certificated Investments**

The Chargor on the date of this Deed or in the case of any certificated Investments acquired after the date of this Deed, as soon as possible after that acquisition (or, with respect to the shares in any SPV incorporated after the date of this Deed, as required under the Facility Letter):

- (A) shall immediately deposit with the Lender, or as the Lender may direct, any bearer instrument, share certificate or other document of title or evidence of ownership in relation to its Investments; and
- (B) shall promptly take any action and execute and deliver to the Lender any share transfer or other document which may be requested by the Lender in order to enable the transferee to be registered as the owner or otherwise obtain a legal title to its Investments; this includes:
 - (1) delivering executed and (unless exempt from stamp duty), pre-stamped share transfers in favour of the Lender or any of its nominees as transferee or, if the Lender so directs, with the transferee left blank; and
 - (2) procuring that those share transfers are registered by the issuer of the Investments and that share certificates in the name of the transferee are delivered to the Lender.

8.3 **Changes to rights**

The Chargor may not (except to the extent permitted by the Facility Letter) take or allow the taking of any action on its behalf which may result in the rights attaching to any of its Investments being altered or further Investments being issued.

8.4 **Calls**

- (A) The Chargor shall pay all calls or other payments due and payable in respect of its Investments.
- (B) If the Chargor fails to do so, the Lender may pay the calls or other payments in respect of any investment on behalf of the Chargor. The Chargor shall immediately on request reimburse the Lender for any payment made by the Lender under this Clause 8.4 (*Calls*).

8.5 Other obligations in respect of Investments

- (A) The Chargor shall promptly copy to the Lender and comply with all requests for information which is within its knowledge and which are made under Section 793 of the Companies Act 2006 or any similar provision contained in any articles of association or other constitutional document relating to any of the Investments. If it fails to do so, the Lender may elect to provide such information as it may have on behalf of the Chargor.
- (B) The Chargor shall comply with all other conditions and obligations assumed by it in respect of any Investments.
- (C) The Lender is not obliged to:
 - (1) perform any obligation of the Chargor;
 - (2) make any payment;
 - (3) make any enquiry as to the nature or sufficiency of any payment received by it or the Chargor; or
 - (4) present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under this Deed,in respect of any Investments.

8.6 Voting rights before enforcement

- (A) Subject to Clause 8.7 (*Voting rights after enforcement*), the Chargor may continue to exercise the voting rights, powers and other rights in respect of its Investments but only to the extent that it does so for a purpose not inconsistent with the Facility Letter and the exercise of or failure to exercise those rights would not prejudice the interests of the Lender.
- (B) If the relevant Investments have been registered in the name of the Lender or its nominee, the Lender (or that nominee) shall exercise the voting rights, powers and other rights in respect of the Investments in any manner which the Chargor may direct in writing but only to the extent that it does so for a purpose not inconsistent with the Finance Documents and the exercise of or failure to exercise those rights would not prejudice the interests of the Lender. The Lender (or that nominee) will execute any form of proxy or other document which the Chargor may reasonably require for this purpose.
- (C) Subject to Clause 8.7 (*Voting rights after enforcement*), all dividends or other income or distributions paid or payable in relation to any Investments shall be paid to the Chargor. To achieve this:
 - (1) the Lender or its nominee will promptly execute any dividend mandate necessary to ensure that payment is made direct to the Chargor; or
 - (2) if payment is made directly to the Lender (or its nominee) before this Security becomes enforceable, the Lender (or that nominee) will promptly pay that amount to the Chargor.

- (D) Subject to Clause 8.7 (*Voting rights after enforcement*), the Lender shall use its reasonable endeavours to promptly forward to the Chargor all material notices, correspondence and/or other communication it receives in relation to the Investments.

8.7 Voting rights after enforcement

- (A) Following the occurrence of an Enforcement Event, the Lender or its nominee may exercise or refrain from exercising:
 - (1) any voting rights; and
 - (2) any other powers or rights which may be exercised by the legal or beneficial owner of any Investments, any person who is the holder of any Investments or otherwise,

in each case, in the name of the Chargor, the registered holder or otherwise and without any further consent or authority on the part of the Chargor and irrespective of any direction given by the Chargor.
- (B) To the extent that the Investments remain registered in the name of the Chargor, the Chargor irrevocably appoints the Lender or its nominee as its proxy to exercise all voting rights in respect of those Investments at any time after this Security has become enforceable.
- (C) The Chargor shall indemnify the Lender against any loss or liability incurred by the Lender as a consequence of the Lender acting in respect of Investments on the direction of the Chargor.

9. Plant and Machinery

9.1 Maintenance

The Chargor shall keep its plant and machinery in good repair and in good working order and condition.

9.2 Nameplates

The Chargor shall take any action which the Lender may reasonably require to evidence the interest of the Lender in its plant and machinery; this includes fixing a nameplate on its plant and machinery in a prominent position stating that:

- (A) the plant and machinery is charged in favour of the Lender; and
- (B) the plant and machinery must not be disposed of without the prior consent of the Lender unless permitted under the Facility Letter.

10. Intellectual Property

10.1 Representations

The Chargor represents and warrants to the Lender that:

- (A) it is the sole legal and beneficial owner of or otherwise has licensed to it on normal commercial terms all Intellectual Property which is material to its business and which is required by it in order to carry on its business as it is being conducted;
- (B) it has taken all formal or procedural actions (including payment of fees) required to maintain any Intellectual Property owned by it; and
- (C) in carrying on its businesses, it does not infringe any Intellectual Property of any third party in any respect which has or is reasonably likely to have a material adverse change.

10.2 **Preservation**

- (A) The Chargor shall:
 - (1) preserve and maintain the subsistence and validity of the Intellectual Property necessary for its business;
 - (2) use reasonable endeavours to prevent any infringement in any material respect of its Intellectual Property;
 - (3) make registrations and pay all registration fees and taxes necessary to maintain its Intellectual Property in full force and effect and record its interest in that Intellectual Property;
 - (4) not use or permit its Intellectual Property to be used in a way or take any step or omit to take any step in respect of that Intellectual Property which may materially and adversely affect the existence or value of its Intellectual Property or imperil its right to use such property; and
 - (5) not discontinue the use of its Intellectual Property.
- (B) The Chargor shall promptly, if requested to do so by the Lender, sign or procure the signature of, and comply with all instructions of the Lender in respect of, any document required to make entries in any public register of Intellectual Property (including the United Kingdom Trade Marks Register) which either record the existence of this Deed or the restrictions on disposal imposed by this Deed.

11. **Book Debts**

- (A) The Chargor shall get in and realise its:
 - (1) securities to the extent held by way of temporary investment;
 - (2) book and other debts and other moneys owed to it; and
 - (3) royalties, fees and income of any nature owed to it,

in the ordinary course of its business and hold the proceeds of the getting in and realisation (until payment into an account in accordance with Clause 11(B) below but subject always to the Security created by or expressed to be created by this Deed) on trust for the Lender.

- (B) The Chargor shall, except to the extent that the Lender otherwise agrees, pay all the proceeds of the getting in and realisation into the account designated for these purposes by the Facility Letter or, following the occurrence of an Enforcement Event, as otherwise instructed from time to time by the Lender.

12. Bank Accounts

12.1 Restrictions on accounts

The Chargor shall not have any accounts other than Accounts and those designated in writing from time to time by the Lender.

12.2 Withdrawals from accounts

- (A) The Chargor shall not withdraw any moneys (including interest) standing to the credit of any of its bank accounts (including, but not limited to, the Receipts Account) other than in accordance with, or as permitted by, the terms of the Facility Letter or otherwise with the prior consent of the Lender.
- (B) Following the occurrence of an Enforcement Event, the Lender (or a Receiver) may withdraw amounts standing to the credit of any of the Chargor's accounts in order to discharge the amount of any Secured Liability which is due but has not been paid.

12.3 Notices of charge or assignment

- (A) Where requested by the Lender, the Chargor shall immediately serve a notice of charge or assignment, substantially in the form set out in Schedule 1 (*Notices to Bank Holding an Account*) (or in such other form as may be agreed between the Chargor and the Lender taking into account the intended operation of the relevant bank account in accordance with the Facility Letter), on each bank or financial institution at which the Chargor maintains any of its accounts.
- (B) The Chargor shall use reasonable endeavours to ensure that the relevant bank or financial institution referred to in Clause 12.3(A) acknowledges receipt of that notice, substantially in the form set out in Schedule 1 (*Notices to Bank Holding an Account*) (or in such other form as may be agreed between the Chargor, the Lender and the relevant account bank taking into account the intended operation of the relevant bank account in accordance with the Facility Letter).

13. Assigned Contracts

13.1 Representations

The Chargor represents and warrants to the Lender that:

- (A) all payments to it by any other party to any of its Assigned Contracts are not subject to any right of set-off or similar right;
- (B) each of its Assigned Contracts is its legally binding and enforceable obligation;
- (C) it is not in default of any of its obligations under any of its Assigned Contracts;

- (D) there is no prohibition on assignment in any of its Assigned Contracts; and
- (E) its entry into and performance of this Deed will not conflict with any term of any of its Assigned Contracts.

13.2 Documents

The Chargor shall promptly deliver to the Lender certified copies of all Assigned Contracts requested by the Lender and shall promptly deliver such other documents relating to the Assigned Contracts as the Lender reasonably requires. If such other documents comprise originals and if the Chargor wishes to take enforcement action in relation to any of the Assigned Contracts then, provided no Enforcement Event is continuing, on the written request of the Chargor the Lender shall redeliver such Assigned Contract and any other document relating to the Assigned Contract in the Lender's possession to the Chargor for the purpose of taking such enforcement action.

13.3 No variation etc

Subject and without prejudice to the provisions of the Facility Letter, the Chargor shall not (otherwise than with the prior written consent of the Lender):

- (A) following the occurrence of an Enforcement Event, amend, vary or waive (or agree to amend, vary or waive) any provision of any Assigned Contract, exercise any right to rescind, cancel or terminate any Assigned Contract or release any counterparty from any obligations under any Assigned Contract;
- (B) following the occurrence of an Enforcement Event, waive any breach by any counterparty to an Assigned Contract or consent to any act or omission which would otherwise constitute a breach of an Assigned Contract; or
- (C) novate, transfer or assign any of its rights under any Assigned Contract (other than the assignment by way of security constituted under this Deed).

13.4 Breach

Without prejudice to any obligations or rights under any other Finance Document, the Chargor shall notify the Lender of any breach of, or default under, an Assigned Contract and of the occurrence of any event or circumstance giving the Chargor or any other party the right to terminate or rescind an Assigned Contract promptly on becoming aware of the same.

13.5 Information

The Chargor shall promptly provide the Lender with any information it reasonably requires in relation to any Assigned Contract.

13.6 Rights

- (A) Subject to the rights of the Lender under Clause 13.6(B), the Chargor must diligently pursue its rights under each of its Assigned Contracts, but only if and to the extent that the exercise of those rights in the manner proposed would not result in a Default.

- (B) At any time when an Enforcement Event is continuing, the Lender may exercise (without any further consent or authority on the part of the Chargor and irrespective of any direction given by the Chargor) any of the Chargor's rights under its Assigned Contracts.

13.7 Notices of charge or assignment

- (A) Upon request by the Lender or as required under the Facility Letter, the Chargor shall immediately serve a notice of charge or assignment, substantially in the form as set out in Schedule 2 (*Notice to counterparty to Assigned Contract*), on each counterparty to an Assigned Contract.
- (B) The Chargor shall in the case of any counterparty, use reasonable endeavours, to ensure that each person referred to in Clause 13.7(A) acknowledges receipt of that notice, substantially in the form set out in Schedule 2 (*Notice to counterparty to Assigned Contract*).

14. Insurances

14.1 Rights

- (A) Subject to the rights of the Lender under Clause 14.1(B), the Chargor shall diligently pursue its rights under any contract or policy of insurance taken out by it or on its behalf or in which it has an interest, but only if and to the extent that the exercise of those rights in the manner proposed would not result in an Event of Default.
- (B) The Lender may exercise (without any further consent or authority on the part of the Chargor and irrespective of any direction given by any Chargor) any of the rights of the Chargor in connection with any amounts payable to it under any insurance policy which is subject to the Transaction Security.
- (C) The Chargor must take such steps (at its own cost) as the Lender may require to enforce those rights; this includes initiating and pursuing legal or arbitration proceedings in the name of the Chargor.
- (D) The Chargor must hold any payment received by it under any contract or policy of insurance taken out by it or on its behalf or in which it has an interest on trust for the Lender.

14.2 Notices of charge or assignment

- (A) Upon request by the Lender, the Chargor shall immediately serve a notice of charge or assignment on each of its insurers in the form required by the Lender.
- (B) The Chargor shall use reasonable endeavours to ensure that the relevant insurer(s) acknowledges receipt of that notice.

15. Representations

The Chargor represents and warrants to the Lender that:

- (A) this Deed:

- (1) creates (or, once entered into, will create) in favour of the Lender, the Security which it is expressed to create fully perfected and with the ranking and priority it is expressed to have;
 - (2) is not subject to any prior or *pari passu* ranking Security; and
 - (3) is not liable to be avoided or set aside on its liquidation, administration or otherwise; and
- (B) it is the absolute legal and beneficial owner of all the assets over which it purports to create any Security pursuant to this Deed.

16. Enforcement

16.1 When enforceable

The Transaction Security shall be immediately enforceable if an Enforcement Event occurs.

16.2 Power of sale

The statutory powers of sale, of appointing a receiver and the other powers conferred on mortgagees by Section 101 of the LPA as varied and extended by this Deed shall arise on the date of this Deed.

16.3 Section 103 of the LPA

Section 103 of the LPA (restricting the power of sale) shall not apply to this Deed.

16.4 Section 93 of the LPA

Section 93 of the LPA (restricting the right of consolidation) shall not apply to this Deed.

16.5 No liability as mortgagee in possession

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

16.6 Privileges

The Lender, each Receiver and each Delegate is entitled to all the rights, powers and immunities conferred by the LPA on mortgagees and receivers duly appointed under the LPA, except that Section 103 of the LPA (restricting the power of sale) does not apply.

16.7 No duty to enquire

No person dealing with the Lender, any Receiver or any Delegate shall be concerned to enquire:

- (A) whether the rights conferred by or pursuant to any Finance Document are exercisable;
- (B) whether any consents, regulations, restrictions or directions relating to such rights have been obtained or complied with;

- (C) otherwise as to the propriety or regularity of acts purporting or intended to exercise any such rights; or
- (D) as to the application of any money borrowed or raised.

16.8 Protection to purchasers

All the protection to purchasers contained in Sections 104 (relating to a conveyance on sale) and 107 (relating to mortgagee's receipts, discharges etc.) of the LPA, Section 42(3) of the Insolvency Act 1986 or in any other applicable legislation shall apply to any person purchasing from or dealing with the Lender, any Receiver or any Delegate.

16.9 Financial collateral arrangements

- (A) To the extent that the provisions of the Financial Collateral Arrangements (No. 2) Regulations 2003 (the "Regulations") apply to any Charged Property the Lender shall have the right to appropriate any Charged Property which constitutes "financial collateral" (as defined in the Regulations) in or towards the satisfaction of the Secured Liabilities.
- (B) The value of any Charged Property appropriated in accordance with this Clause 16.9 (*Financial collateral arrangements*) shall be:
 - (1) in the case of cash, the amount of the cash appropriated; and
 - (2) in the case of any Investments, their market value as determined by the Lender by reference to a public index, independent valuation or by such other process as the Lender may select (acting reasonably).
- (C) The Chargor agrees that the method of valuation provided for in this Clause 16.9 (*Financial collateral arrangements*) is commercially reasonable for the purposes of the Regulations.

17. Receiver

17.1 Appointment of receiver

- (A) The Lender may appoint any one or more persons to be a Receiver of all or any part of the Charged Property if:
 - (1) an Enforcement Event occurs; or
 - (2) requested to do so by the Chargor.
- (B) Any appointment under Clause 17.1(A) may be by deed, under seal or in writing under hand.

17.2 Removal

The Lender may by writing under hand remove any Receiver appointed by it and may appoint a new Receiver in place of any Receiver whose appointment it may have terminated.

17.3 Remuneration

The Lender may determine the remuneration of any Receiver appointed by it and direct payment of that remuneration out of moneys received by it as Receiver. The maximum rate specified in section 109(6) of the LPA will not apply.

17.4 Agent of Chargor

- (A) Any Receiver will be deemed to be the agent of the Chargor for all purposes. The Chargor alone is responsible for all contracts, engagements, acts, omissions, defaults, remuneration and all other costs, losses and expenses of a Receiver and for liabilities incurred by a Receiver.
- (B) No Finance Party will incur any liability (either to the Chargor or any other person) by reason of its appointment of a Receiver or for any other reasons.

17.5 Lender's rights

Any rights conferred by any Finance Document upon a Receiver may be exercised by the Lender, whether or not the Lender shall have taken possession or appointed a Receiver of the Charged Property.

18. Powers of Receiver

18.1 General

- (A) A Receiver has all of the rights, powers and discretions set out below in this Clause 18 (*Powers of Receiver*) in addition to those conferred on it by any law, including all the rights, powers and discretions conferred on a receiver under the LPA and a receiver or an administrative receiver under the Insolvency Act 1986.
- (B) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

18.2 Possession

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

18.3 Carry on business

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

18.4 Employees

- (A) A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he thinks fit.
- (B) A Receiver may discharge any person appointed by the Chargor.

18.5 Borrow money

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

18.6 Sale of assets

- (A) A Receiver may sell, exchange, convert into money and realise any Charged Property by public auction or private contract and generally in any manner and on any terms which he thinks fit.
- (B) The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which he thinks fit.
- (C) Fixtures, other than fixtures of any landlord or of any tenant under a lease or tenancy of any Charged Property, may be severed and sold separately from the property containing them without the consent of the Chargor.

18.7 Leases

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

18.8 Compromise

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

18.9 Legal actions

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

18.10 Receipts

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

18.11 Subsidiaries

A Receiver may form a Subsidiary of the Chargor and transfer to that Subsidiary any Charged Property.

18.12 Delegation

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

18.13 Lending

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

18.14 Protection of assets

A Receiver may:

- (A) effect any repair or insurance and do any other act which the Chargor might do in the ordinary conduct of its business to protect or improve any Charged Property;
- (B) commence and/or complete any building operation; and
- (C) apply for and maintain any planning permission, building regulation approval or any other authorisation,

in each case as he thinks fit.

18.15 Other powers

A Receiver may:

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

19. Power of Attorney

19.1 Appointment

The Chargor by way of security irrevocably appoints the Lender, any Receiver and any Delegate severally as its attorney (with full power of substitution), on its behalf and in its name or otherwise at such time and in such manner as the attorney may think fit:

- (A) to do anything which the Chargor is obliged to do under any Finance Document (including, without limitation, sending any notice as required under Clause 13.7 (*Notices of charge or assignment*)); and
- (B) to exercise any of the rights conferred on the Lender, any Receiver or any Delegate in relation to the Charged Property or under any Finance Document, the LPA or the Insolvency Act 1986.

19.2 Ratification

The Chargor ratifies and confirms and agrees to ratify and confirm whatever any such attorney does or purports to do under its appointment under this Clause 19 (*Power of Attorney*).

20. **Tacking**

The Lender shall comply with its obligations under the Finance Documents (including any obligation to make further advances).

21. **Delegation**

21.1 **Delegate and sub-delegates**

The Lender or any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed.

21.2 **Terms**

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

21.3 **Liability**

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

22. **Preservation of Security**

22.1 **Reinstatement**

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

22.2 **Waiver of defences**

The obligations of the Chargor under this Deed will not be affected by an act, omission, matter or thing which, but for this clause, would reduce, release or prejudice any of its obligations under this Deed (and whether or not known to it or the Lender) including without limitation:

- (A) any time, waiver or consent granted to, or composition with, any other person;
- (B) the release of any other person under the terms of any composition or arrangement with any creditor of any other person;
- (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 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 any other person;
- (E) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature) or replacement of a Finance Document or any other document or security;
- (F) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (G) any insolvency or similar proceedings.

22.3 Immediate recourse

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

22.4 Appropriations

Until all amounts which may be or become payable by the Chargor under or in connection with the Finance Documents have been irrevocably paid in full, the Lender (or any trustee or agent on its behalf) may:

- (A) refrain from applying or enforcing any other moneys, security or rights held or received by the Lender (or any trustee or agent on its behalf) 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 Chargor shall not be entitled to the benefit of the same; and
- (B) hold in an interest-bearing suspense account any moneys received from the Chargor or on account of the Chargor's liability under this Deed.

22.5 Deferral of Chargor's rights

Until all amounts which may be or become payable by the Chargor under or in connection with the Finance Documents have been irrevocably paid in full and unless the Lender otherwise directs, the Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Deed:

- (A) to be indemnified by any other person;
- (B) to claim any contribution from any other guarantor of the Chargor's obligations under the Finance Documents;
- (C) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by the Lender;

- (D) to bring legal or other proceedings for an order requiring the Chargor to make any payment, or perform any obligation, in respect of which the Chargor has given a guarantee, undertaking or indemnity under any other Finance Document;
- (E) to exercise any right of set-off against any other person; and/or
- (F) to claim or prove as a creditor of any other person in competition with the Lender.

If the 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 the Lender by the Chargor under or in connection with the Finance Documents to be repaid in full on trust for the Lender and shall promptly pay or transfer the same to the Lender for application towards the Secured Liabilities in accordance with the Facility Letter.

23. Expenses

23.1 **Enforcement expenses**

The Chargor shall, within three Business Days of demand, pay to the Lender the amount of all costs, losses, liabilities and expenses (including legal fees) incurred by the Lender any Receiver or any Delegate in connection with the enforcement of or the preservation of any right under this Deed or the Transaction Security and any proceedings instituted by or against the Lender as a consequence of taking or holding the Transaction Security or enforcing these rights.

23.2 **VAT**

Clause 11.10 (VAT) of Schedule 2 (*Standard Terms for Property Acquisition and Development Loans*) of the Facility Letter shall also apply to any amount payable under a Finance Document to any Receiver or Delegate with all necessary changes. Changes to the Parties

23.3 **Assignments and transfer by the Chargor**

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

23.4 **Assignment and transfer by the Lender**

The Lender may assign any of its rights or transfer any of its rights or obligations under this Deed to any person to which it is permitted to assign its rights or transfer any of its rights or obligations to under the terms of the Facility Letter in accordance with the terms of the Finance Documents. The Chargor acknowledges and agrees that any successor to the Lender may rely on and enforce the provisions of this Deed.

24. Payments

24.1 **Payments**

All payments by the Chargor under this Deed (including damages for its breach) shall be made in the currency in which the relevant amount is denominated, or if different, is payable and to such account, with such person and such other manner as the Lender may direct.

24.2 Continuation of accounts

- (A) At any time if any subsequent Security affects any Charged Property or a petition is presented or resolution passed in relation to the winding-up of the Chargor, the Lender may open a new account in the name of the Chargor (whether or not it permits any existing account to continue).
- (B) If the Lender does not open such a new account, it shall nevertheless be treated as if it had done so when the relevant event occurred.
- (C) No moneys paid into any account, whether new or continuing, after that event shall discharge or reduce any Secured Liabilities

24.3 No set-off by Chargor

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

25. Release of Security

25.1 Release

At the end of the Security Period the Lender shall, at the request and cost of the Chargor, take whatever action is necessary to release and/or re-assign the Charged Property from the Security created by or expressed to be created by this Deed.

25.2 Retention

If the Lender considers that any amount paid or credited to it under a Finance Document is capable of being avoided or otherwise set aside, that amount shall not be considered to have been paid for the purposes of determining whether all the Secured Liabilities have been irrevocably paid.

26. Remedies and Waivers

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

27. Notices

Any communication to be made under this Deed shall be made in accordance with Clause 14 (*Notices*) of Schedule 2 (*Standard Terms for Property Acquisition and Development Loans*) of the Facility Letter.

28. Severance

- 28.1 The invalidity, unenforceability or illegality of any provision (or part of a provision) of this Deed under the laws of any jurisdiction shall not affect or impair the validity, enforceability or legality of the other

provisions nor the validity, enforceability or legality of such provisions under the law of any other jurisdiction.

- 28.2 If any invalid, unenforceable or illegal provision would be valid, enforceable and legal if some part of it were deleted, the provision shall apply with whatever modification as is necessary to give effect to the commercial intention of the parties.

29. **Counterparts**

This Deed may be executed and delivered in any number of counterparts, each of which is an original and which, together, have the same effect as if each party had signed the same document.

30. **Third Party Rights**

- (A) Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "Third Parties Act") to enforce or enjoy the benefit of any term of this Deed.
- (B) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.
- (C) Any Receiver or Delegate may, subject to this Clause 30 and the Third Parties Act, rely on any Clause of this Deed which expressly confers rights on it.

31. **Governing Law**

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

32. **Enforcement**

- (A) 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 obligations arising out of or in connection with it (a "Dispute").
- (B) 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.
- (C) This Clause 32 (*Enforcement*) is for the benefit of the Lender only. As a result, the Lender shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Lender may take concurrent proceedings in any number of jurisdictions.

THIS DEED has been entered into as a deed and delivered on the date stated at the beginning of this Deed.

SCHEDULE 1 : NOTICES TO BANK HOLDING AN ACCOUNT

[Below is a draft only – form to be agreed with relevant account bank depending on structure and operation of accounts although any changes to the form of this notice should be carefully considered, including taking legal advice where appropriate.]

To: [Account Bank]

Address: [•]

[Date]

Dear Sirs,

Notice of security over account

We refer to the following account (the "Account") which shall include all monies standing to the credit of the Account now or in the future:

[Insert details of relevant Receipts Account]

This letter constitutes notice to you that under a security agreement dated [•] 20[2] (the "Security Agreement") between [] Limited as chargor and Salboy Partnerships Limited as lender (the "Lender") we have charged [by way of first fixed charge] in favour of the Lender all of our rights in respect of any amount standing to the credit of the Account and the debts represented by that Account.

We irrevocably instruct and authorise you to:

- (A) disclose to the Lender any information relating to the Account requested from you by the Lender;
- (B) following receipt of notice from the Lender that an Enforcement Event (as defined in the Security Agreement) has occurred, to comply with the terms of any written notice or instruction relating to the Account received by you from the Lender;
- (C) following receipt of notice from the Lender that an Enforcement Event has occurred, to hold all sums standing to the credit of the Account to the order of the Lender;
- (D) following receipt of notice from the Lender that an Enforcement Event has occurred, to pay or release any sum standing to the credit of the Account in accordance with the written instructions of the Lender;
- (E) following receipt of notice from the Lender that an Enforcement Event is continuing, not to release any monies from the Account without the prior written consent of the Lender; and
- (F) following receipt of notice from the Lender that an Enforcement Event is continuing, that all our rights in connection with the Account are exercisable by (or with the consent of) the Lender.

Following receipt of notice from the Lender that an Enforcement Event is continuing, we are not permitted to withdraw any amount from the Account without the prior written consent of the Lender.

The instructions in this letter:

- (A) may be complied without any further permission from us and without enquiry by you as to the justification for or validity of any notice, request or instructions;
- (B) apply until you receive notice from the Lender to the contrary, notwithstanding any previous instruction given by us; and
- (C) may not be revoked or amended without the prior written consent of the Lender.

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

Please acknowledge receipt of this notice and confirm that you will pay all moneys in respect of the Account as directed by or pursuant to this notice, by signing the acknowledgement on the attached copy of this notice and returning that copy to the Lender at [•], marked for the attention of [•].

.....
 For and on behalf of
 [] Limited
 as Chargor

[On duplicate]

We acknowledge receipt of the notice of which this is a copy and confirm that we:

- (A) will accept the instructions contained in the notice and agree to comply with the notice;
- (B) have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of the Account; and
- (C) following receipt of notice from the Lender that an Enforcement Event is continuing, will not permit any amount to be withdrawn from the Account without the prior written consent of the Lender.

.....
 For and on behalf of
 [Account Bank]

Date:

SCHEDULE 2 : NOTICE TO COUNTERPARTY TO ASSIGNED CONTRACT

To: [Counterparty]

Address: [•]

[Date]

Dear Sirs,

Notice of assignment

This letter constitutes notice to you that under a security agreement dated [•] 20[2] (the "Security Agreement") between [] Limited as chargor and Salboy Partnerships Limited as lender (the "Lender") we have assigned to the Lender all of our present and future right, title and interest in and to [[describe agreement(s)] (the "Agreement[s]")].

We will remain liable under the Agreement[s] to perform all the obligations assumed by us under the Agreement[s] (if any). None of the Lender, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Agreement[s].

We will be entitled to exercise all of our rights, powers and discretions under the Agreement[s], and you should continue to give notices under the Agreement[s] to us, unless and until you receive notice from the Lender that an Enforcement Event has occurred for the purposes of the Security Agreement (such notice, an "Enforcement Event Notice"). In this event, all the rights, powers and discretions under the Agreement[s] will be exercisable by, and notices must be given to, the Lender or as it directs.

From the date of receiving an Enforcement Event Notice, you shall pay any and all amounts due under the Agreement to such account as the Lender may direct in that Enforcement Event Notice.

Please note that we have agreed not to amend, waive or vary any provision of or terminate the Agreement[s] without the prior written consent of the Lender.

We confirm that you may comply with the instructions in this letter without any further permission from us and without enquiry by you as to the justification for or validity of any notice, request or instructions.

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

Please acknowledge receipt of this notice by signing the acknowledgement on the attached copy of this notice and returning that copy to the Lender at [•], marked for the attention of [•].

For and on behalf of
[] Limited
as Chargor

[On duplicate]

We acknowledge receipt of the Notice of Assignment of which this is a copy and agree to comply with its terms. We confirm that we have not received any other notice of assignment or charge or notice that any other person claims any rights in respect of the Agreement[s] and that from the date of receiving an Enforcement Event Notice from the Lender we will pay any and all amounts due under the Agreement[s] to the account details specified to us by the Lender in that Enforcement Event Notice.

.....
For and on behalf of
[The Counterparty]

Date:

SCHEDULE 3 : THE MORTGAGED PROPERTY

Address	Title number	Tenure

EXECUTION PAGE TO SECURITY AGREEMENT

The Chargor

Executed as a deed by
RODDY NEW HOMES LIMITED
acting by
a director in the presence of:

Signature of witness:

Name:

Address:

Joan Ogden
& me
HALY JOHNSON

Unit 3, Birchwood One
Dewhurst Rd, Birchwood
Warrington WA3 7GB

The Lender

Executed as a deed by
SALBOY PARTNERSHIPS LIMITED
acting by
a director in the presence of:

Signature of witness:

Name:

Address:

Joan Ogden
& me
HALY JOHNSON

Unit 3, Birchwood One
Dewhurst Rd, Birchwood
Warrington WA3 7GB