



Registration of a Charge

Company name: **SYNCARDIA HOMES (FERNDALE) LTD**

Company number: **10668467**



X6ED2I3U

Received for Electronic Filing: **05/09/2017**

Details of Charge

Date of creation: **31/08/2017**

Charge code: **1066 8467 0002**

Persons entitled: **LENDINVEST FINANCE NO.1 LIMITED**

Brief description: **ALL THAT FREEHOLD PROPERTY KNOWN AS LAND ON THE EAST SIDE OF FERN ROAD, ST LEONARDS ON SEA AS THE SAME IS REGISTERED AT THE LAND REGISTRY WITH TITLE ABSOLUTE UNDER TITLE NUMBER ESX319436**

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: **HILL DICKINSON LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 10668467

Charge code: 1066 8467 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 31st August 2017 and created by SYNCARDIA HOMES (FERNDAL) LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 5th September 2017 .

Given at Companies House, Cardiff on 7th September 2017

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

Debenture

Date 31 August 2017

- (1) **SYNCARDIA HOMES (FERNDALE) LTD**
- (2) **LENDINVEST FINANCE NO.1 LIMITED**

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This deed is dated 31 August 2017

Parties

- (1) **SYNCARDIA HOMES (FERNDALE) LTD** incorporated and registered in England and Wales with company number 10668467 whose registered office is at 71-75 Shelton Street, Covent Garden, London, United Kingdom, WC2H 9JQ (**Chargor**).
- (2) **LENDINVEST FINANCE NO.1 LIMITED** incorporated and registered in England and Wales with company number 07826640 whose registered office is at 8 Mortimer Street, London W1T 3JJ (**Lender**).

Recitals

- A) The Lender has agreed to provide the Chargor with loan facilities on a secured basis.
- B) Under this deed, the Chargor provides security to the Lender for all its present and future obligations and liabilities to the Lender.

IT IS HEREBY AGREED

1 Definitions and interpretation

1.1 Definitions

The following definitions apply in this deed.

Advance	an advance made, or to be made, by the Lender to the Chargor under the Agreement, or the principal amount of an advance outstanding
Administrator	an administrator appointed to manage the affairs, business and property of the Chargor pursuant to clause 9 in Schedule 10
Agreement	means any agreement made between the Lender and the Chargor identified in any agreement entered into between the Lender and the Chargor, on the terms and conditions set out in any such agreement.
Agreement for Lease	all agreements contracts options or undertakings whether now or hereafter in existence for or in relation to the creation of any estate interest or right in or over the Real Property or any part thereof (including without limitation in relation to any lease licence tenancy or right to occupy whether on a fixed term or periodic basis and whether in all cases in respect of the whole or any part of the Real Property)
Book Debts	all present and future book and other debts, and monetary claims due or owing to the Chargor, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Chargor in relation to any of them.
Business Day	a day (other than a Saturday or a Sunday) on which commercial banks are open for general business in London and deposits are dealt with on the London Interbank Market.

Delegate	any person appointed by the Lender or any Receiver pursuant to clause 18 and any person appointed as attorney of the Lender, Receiver or Delegate.
Demand	any demand made by the Lender on the Chargor for payment of all or any part of the Indebtedness.
Designated Account	any account of the Chargor nominated by the Lender as a designated account for the purposes of this deed.
Environment	the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media.
Environmental Law	all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment.
Equipment	all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property for the time being owned by the Chargor, including any part of it and all spare parts, replacements, modifications and additions.
Excluded Property	each property listed in Part 3 of Schedule 1.
Financial Collateral	shall have the meaning given to that expression in the Financial Collateral Regulations.
Financial Collateral Regulations	the Financial Collateral Arrangements (No 2) Regulations 2003 (<i>SI 2003/3226</i>).
Group Company	any company other than the Company from time to time within the group of the Company where "group" bears the meaning as defined in Section 53 of the Companies Act 1989.
Indebtedness	any obligation to pay or repay money, present or future, whether actual or contingent, sole or joint.
Insurance Policy	each contract and policy of insurance effected or maintained by the Chargor from time to time in respect of its assets or business (including, without limitation, any insurances relating to the Properties or the Equipment).
Intellectual Property	the Chargor's present and future patents, trademarks, service marks, trade names, designs, copyrights, inventions, topographical or similar rights, confidential

	information and know-how and any interest in any of these rights, whether or not registered, including all applications and rights to apply for registration and all fees, royalties and other rights derived from, or incidental to, these rights.
Investments	all present and future certificated stocks, shares, loan capital, securities, bonds and investments (whether or not marketable) for the time being owned (at law or in equity) by the Chargor, including any: (a) dividend, interest or other distribution paid or payable in relation to any of the Investments; and (b) right, money, shares or property accruing, offered or issued at any time in relation to any of the Investments by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise.
LPA 1925	Law of Property Act 1925.
Material Adverse Effect	any event or circumstance which, in the Lender's reasonable opinion, is likely to materially and adversely affect the Chargor's ability to perform all or any of the Chargor's obligations under, or otherwise comply with, the terms of any Agreement, this deed or any other Security provided to the Lender or any of them.
Original Financial Statements	the latest available audited financial statements of the Chargor (if any) delivered to the Lender prior to the date of the first Advance.
Particulars	the loan particulars set out in the Agreement.
Permitted Prior Security	has the meaning given to that expression in the Agreement.
Properties	all freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or in the future (and from time to time) owned by the Chargor, or in which the Chargor holds an interest (including, but not limited to, the properties specified in Schedule 1 and in the Particulars), and Property means any of them.
Real Property	Each and all parts of the Secured Assets from time to time charged by the Chargor pursuant to clause 3.1.
Receiver	a receiver, receiver and manager or administrative receiver of any or all of the Secured Assets appointed by the Lender under clause 16.

Relevant Agreement	means each and all of the following both present and future: (a) any development documents entered into with the approval of the Lender; (b) each contract in respect of any disposal of any Secured Assets; (c) any lease of Real Property; (d) any managing agents' agreements; and (e) all other agreements in which the Chargor has an interest, in each case including any guarantees or sureties entered into in respect of them.
Rent Account	the account to be opened for the receipt of Rental Income in accordance with clause 3.2.13
Rental Income	the gross rents licence fees and other monies receivable now or at any time hereafter by the Chargor in respect of or arising out of any lease of the Real Property or any Agreement for Lease or otherwise without limitation derived by or paid to or received by the Chargor in respect of the Real Property (including without limitation all mesne profits) but excluding insurance rents or service charges or the like and any value added tax thereon.
Secured Assets	all the assets, property and undertaking for the time being subject to the Security created by, or pursuant to, this deed.
Secured Liabilities	all present and future obligations and liabilities of the Chargor to the Lender, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity and whether or not the Lender was an original party to the relevant transaction and in whatever name or style, together with all interest (including, without limitation, default interest) accruing in respect of those obligations or liabilities.
Security Financial Collateral Arrangement	shall have the meaning given to that expression in the Financial Collateral Regulations.
Security	any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.
Security Period	the period starting on the date of this deed and ending on the date on which the Lender is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in

	full and no further Secured Liabilities are capable of being outstanding.
Tax	any tax, levy, impost, duty or other charge, fee, deduction or withholding of a similar nature (including any penalty or interest payable in connection with the failure to pay, or delay in paying, any of these).
Transaction Documents	the documents stated in the Particulars to be Transaction Documents.

1.2 Interpretation

In this deed:

- 1.2.1 clause, Schedule and paragraph headings shall not affect the interpretation of this deed;
- 1.2.2 a reference to a **person** shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality) and that person's personal representatives, successors, permitted assigns and permitted transferees;
- 1.2.3 a reference to a **company** shall include a reference to a corporation, a partnership or a limited liability partnership;
- 1.2.4 a reference to a **director** or to an officer of a company shall include a reference to an officer of a corporation or a member of a partnership or a limited liability partnership;
- 1.2.5 a reference to the **articles of association** of a company shall include a reference to the corporation agreement of a corporation, the partnership agreement of a partnership and the limited liability partnership agreement of a limited liability partnership;
- 1.2.6 a reference to a **resolution** of a company shall include a reference to a determination of a corporation, partnership or a limited liability partnership;
- 1.2.7 a reference to **shares** shall include a reference to officer interests or membership interests;
- 1.2.8 a reference to a **dividend** shall include a reference to a respective form of remuneration payable to an officer or a member;
- 1.2.9 a reference to **holder, owner** or **shareholder** shall include a reference to a member and an assignee;
- 1.2.10 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- 1.2.11 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- 1.2.12 a reference to a **party** shall include that party's successors, permitted assigns and permitted transferees;
- 1.2.13 a reference to any **agreement** or **document** shall be deemed to refer to the same as amended modified or supplemented from time to time by the parties hereto;

- 1.2.14 a reference to a **statute** or **statutory provision** is a reference to it as amended, extended or re-enacted from time to time;
- 1.2.15 a reference to a **statute** or **statutory provision** shall include all subordinate legislation made from time to time under that statute or statutory provision;
- 1.2.16 a reference to **writing** or **written** includes fax but not e-mail;
- 1.2.17 an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- 1.2.18 a reference to **this deed** (or any provision of it) or to any other agreement or document referred to in this deed is a reference to this deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this deed) from time to time;
- 1.2.19 unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this deed and a reference to a paragraph is to a paragraph of the relevant Schedule;
- 1.2.20 any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- 1.2.21 any references to **liability** or **liabilities** are to be construed to include all liabilities and obligations whether actual contingent present or future and whether incurred solely or jointly or as principal or surety;
- 1.2.22 the words **other** and **otherwise** shall not be construed ejusdem generis with any foregoing words where a wider construction is possible;
- 1.2.23 a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly);
- 1.2.24 a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- 1.2.25 a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- 1.2.26 a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it; and
- 1.2.27 a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

1.3 Clawback

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

1.4 Nature of security over real property

A reference in this deed to a charge or mortgage of or over any Property includes:

- 1.4.1 all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) that are situated on or form part of that Property at any time;
 - 1.4.2 the proceeds of the sale of any part of that Property and any other monies paid or payable in respect of or in connection with that Property;
 - 1.4.3 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; and
 - 1.4.4 all rights under any licence, agreement for sale or agreement for lease in respect of that Property.
- 1.5 Law of Property (Miscellaneous Provisions) Act 1989
- For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of any Agreement and of any side letters between any parties in relation to any Agreement are incorporated into this deed.
- 1.6 Perpetuity period
- If the rule against perpetuities applies to any trust created by this deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).
- 1.7 Schedules
- The Schedules form part of this deed and shall have effect as if set out in full in the body of this deed. Any reference to this deed includes the Schedules.
- 2 Covenant to pay**
- The Chargor shall, on demand, pay to the Lender and discharge the Secured Liabilities when they become due.
- 3 Grant of security**
- Each of the charges hereby created shall rank fixed in order of priority as first fixed or floating (as may be specified) charges or assignments (as may be specified.)
- 3.1 Legal mortgage
- As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee charges to the Lender, by way of first legal mortgage, each Property specified in Schedule 1.
- 3.2 Fixed charges
- As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee charges to the Lender by way of first fixed charge:
- 3.2.1 all Properties acquired by the Chargor in the future;
 - 3.2.2 all present and future Interests of the Chargor not effectively mortgaged or charged under the preceding provisions of this clause 3 in, or over, freehold or leasehold property;
 - 3.2.3 all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to each Property;
 - 3.2.4 all licences, consents and authorisations (statutory or otherwise) held or required in connection with the Chargor's business or the use of any Secured Asset, and all rights in connection with them;

- 3.2.5 all its present and future goodwill;
- 3.2.6 all its uncalled capital;
- 3.2.7 all the Equipment;
- 3.2.8 all the Intellectual Property;
- 3.2.9 all the Book Debts;
- 3.2.10 all the Investments;
- 3.2.11 all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person (including each Designated Account);
- 3.2.12 the benefit of all Agreements for Lease and all the proceeds of any payment of any claim awards and judgments arising out of such Agreements for Lease and all sums paid or payable to the Chargor under or in respect of any such Agreements for Lease including (without limitation) all deposits under any Agreements for Lease;
- 3.2.13 the benefit of all Rental Income and all right title and interest to and in the same and the benefit thereof and the right to make demand for and to receive the same but so that nothing in this sub-clause nor any express arrangement in respect of the Rental Income under any Agreement shall constitute the Lender as mortgagee in possession and the Chargor hereby covenants at any time during the continuance of this security to give to the Lender such information in regard to the Rental Income as the Lender shall require and if so requested to instruct all or any tenants of the Real Property to pay the Rental Income direct to an account with the Lender or such other bank as the Lender may designate in the name of the Chargor Without prejudice to any other remedy of the Lender in case of default by the Chargor in payment of interest the Lender shall be entitled without demand or notice to the Chargor to appropriate all or any sums from time to time standing to the credit of the Rent Account in full or partial satisfaction of the interest from time to time due from the Chargor to the Lender but not so as to limit the rights of the Lender in respect of such Rent Account once a demand for repayment has been made or the Secured Liabilities has otherwise become payable. At any time after a demand for repayment has been made the Lender may without further demand or notice to the Chargor appropriate the whole or any part of the sums then or thereafter standing to the credit of the Rent Account in or towards satisfaction of the Secured Liabilities (and if less than the whole as the Lender shall select)

3.3 Assignment

As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee assigns to the Lender absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities:

- 3.3.1 all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy; and
- 3.3.2 the benefit of each Relevant Agreement and the benefit of any guarantee or security for the performance of an Relevant Agreement.

3.4 Floating charge

As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee charges to the Lender, by way of first floating charge, all the undertaking, property, assets and rights of the Chargor at any time not effectively mortgaged, charged or assigned pursuant to clause 3.1 to clause 3.3 inclusive.

3.5 Qualifying floating charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 3.4.

3.6 Leasehold security restrictions

3.6.1 Insofar as applicable, subject to clause 3.6.2 to clause 3.6.4, the security created by clause 3.1 to clause 3.3 shall not apply to an Excluded Property until the Chargor obtains any relevant consent, or waiver of prohibition, to the creation of security over that Excluded Property.

3.6.2 In relation to each Excluded Property, the Chargor undertakes to:

3.6.2.1 apply for the relevant consent or waiver of prohibition within five Business Days of the date of this deed, and to use its best endeavours to obtain that consent or waiver of prohibition as soon as possible;

3.6.2.2 keep the Lender informed of its progress in obtaining that consent or waiver; and

3.6.2.3 immediately on receipt of the consent or waiver, provide the Lender with a copy of that consent or waiver.

3.6.3 Immediately on receipt by the Chargor of the relevant consent or waiver, that Excluded Property shall become the subject of a mortgage or charge (as appropriate) pursuant to clause 3.1 to clause 3.3.

3.6.4 If required by the Lender at any time following receipt of that consent or waiver, the Chargor shall, at its own cost, prepare and execute any further documents and take any further action the Lender may require, in its absolute discretion, for perfecting its security over that Excluded Property.

3.7 Automatic crystallisation of floating charge

The floating charge created by clause 3.4 shall automatically and immediately (without notice) be converted into a fixed charge over the assets subject to that floating charge if:

3.7.1 the Chargor:

3.7.1.1 creates, or attempts to create, without the prior written consent of the Lender, a Security or a trust in favour of another person over all or any part of the Secured Assets (except as expressly permitted by the terms of this deed or any Agreement); or

3.7.1.2 disposes, or attempts to dispose of, all or any part of the Secured Assets (other than Secured Assets that are only subject to the floating charge while it remains uncrystallised);

3.7.2 any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets; or

- 3.7.3 a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Chargor.
- 3.8 **Crystallisation of floating charge by notice**
- The Lender may, in its sole discretion, at any time and by written notice to the Chargor, convert the floating charge created under this deed into a fixed charge as regards any part of the Secured Assets specified by the Lender in that notice.
- 3.9 **Assets acquired after any floating charge has crystallised**
- Any asset acquired by the Chargor after any crystallisation of the floating charge created under this deed that, but for that crystallisation, would be subject to a floating charge under this deed, shall (unless the Lender confirms otherwise to the Chargor in writing) be charged to the Lender by way of first fixed charge.
- 4 Liability of the Chargor**
- 4.1 **Liability not discharged**
- The Chargor's liability under this deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:
- 4.1.1 any security, guarantee, indemnity, remedy or other right held by, or available to, the Lender that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- 4.1.2 the Lender renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or
- 4.1.3 any other act or omission that, but for this clause 4.1, might have discharged, or otherwise prejudiced or affected, the liability of the Chargor.
- 4.2 **Immediate recourse**
- The Chargor waives any right it may have to require the Lender to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this deed against the Chargor.
- 5 Representations and warranties**
- 5.1 The Chargor represents and warrants to the Lender that the representations and warranties set out in Schedule 2 are true and correct at the time of this deed.
- 5.2 The representations and warranties set out in Schedule 2 are deemed to be repeated on each drawdown date of the loan facility and the first day of each Interest Period (as defined in any Agreement) with reference to the facts and circumstances existing at the time of repetition.
- 6 General covenants**
- The Chargor covenants with the Lender in the terms set out in Schedule 3.
- 7 Property covenants**
- The Chargor covenants with the Lender in the terms set out in Schedule 4.
- 8 Investments covenants**
- The Chargor covenants with the Lender in the terms set out in Schedule 5.
- 9 Equipment covenants**

- The Chargor covenants with the Lender in the terms set out in Schedule 6.
- 10 Book Debts covenants**
- The Chargor covenants with the Lender in the terms set out in Schedule 7.
- 11 Relevant Agreements covenants**
- The Chargor covenants with the Lender in the terms set out in Schedule 8.
- 12 Intellectual Property covenants**
- The Chargor covenants with the Lender in the terms set out in Schedule 9.
- 13 Powers of the Lender**
- The Lender shall have the powers as set out in Schedule 10.
- 14 When security becomes enforceable**
- 14.1 Security becomes enforceable on Demand**
- The security constituted by this deed shall be immediately enforceable upon any Demand being made.
- 14.2 Discretion**
- After the security constituted by this deed has become enforceable, the Lender may, in its absolute discretion, enforce all or any part of that security at the times, in the manner and on the terms it thinks fit, and take possession of and hold or dispose of all or any part of the Secured Assets.
- 15 Enforcement of security**
- 15.1 Enforcement powers**
- 15.1.1** The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this deed) shall, as between the Lender and a purchaser from the Lender, arise on and be exercisable at any time after the execution of this deed, but the Lender shall not exercise such power of sale or other powers until the security constituted by this deed has become enforceable under clause 14.1.
- 15.1.2** Section 103 of the LPA 1925 does not apply to the security constituted by this deed.
- 15.2 Extension of statutory powers of leasing**
- The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and by any other statute are extended so as to authorise the Lender and any Receiver, at any time after the security constituted by this deed has become enforceable, whether in its own name or in that of the Chargor, to:
- 15.2.1** grant a lease or agreement to lease;
- 15.2.2** accept surrenders of leases; or
- 15.2.3** grant any option of the whole or any part of the Secured Assets with whatever rights relating to other parts of it,
- whether or not at a premium and containing such covenants on the part of the Chargor, and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Lender or Receiver thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

15.3 Access on enforcement

- 15.3.1 At any time after the Lender has demanded payment of the Secured Liabilities or if the Chargor defaults in the performance of its obligations under this deed or any Agreement, the Chargor will allow the Lender or its Receiver, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular (and without limitation) to take possession of any Secured Asset and for that purpose to enter on any premises where a Secured Asset is situated (or where the Lender or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to the Chargor for, or by any reason of, that entry.
- 15.3.2 At all times, the Chargor must use its best endeavours to allow the Lender or its Receiver access to any premises for the purpose of clause 15.3.1 (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

15.4 Prior Security

At any time after the security constituted by this deed has become enforceable, or after any powers conferred by any Security having priority to this deed shall have become exercisable, the Lender may:

- 15.4.1 redeem that or any other prior Security;
- 15.4.2 procure the transfer of that Security to it; and
- 15.4.3 settle and pass any account of the holder of any prior Security.

Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Chargor. All monies paid by the Lender to an encumbrancer in settlement of any of those accounts shall, as from its payment by the Lender, be due from the Chargor to the Lender on current account and shall bear interest at the default rate of interest specified in any Agreement and be secured as part of the Secured Liabilities.

15.5 Protection of third parties

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

- 15.5.1 whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;
- 15.5.2 whether any power the Lender, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable; or
- 15.5.3 how any money paid to the Lender, any Receiver or any Delegate is to be applied.

15.6 Privileges

Each Receiver and the Lender is entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 on mortgagees and receivers.

15.7 No liability as mortgagee in possession

Neither the Lender, any Receiver, any Delegate nor any Administrator shall be liable to account as mortgagee in possession in respect of all or any of the Secured Assets, nor shall any of them be liable for any loss on realisation of, or for any neglect or

default of any nature in connection with, all or any of the Secured Assets for which a mortgagee in possession might be liable as such.

15.8 Conclusive discharge to purchasers

The receipt of the Lender or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Secured Assets or in making any acquisition in the exercise of their respective powers, the Lender, every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he thinks fit.

15.9 Right of appropriation

15.9.1 To the extent that:

15.9.1.1 the Secured Assets constitute Financial Collateral; and

15.9.1.2 this deed and the obligations of the Chargor under it constitute a Security Financial Collateral Arrangement,

the Lender shall have the right, at any time after the security constituted by this deed has become enforceable, to appropriate all or any of those Secured Assets in or towards the payment or discharge of the Secured Liabilities in any order that the Lender may, in its absolute discretion, determine.

15.9.2 The value of any Secured Assets appropriated in accordance with this clause shall be the price of those Secured Assets at the time the right of appropriation is exercised as listed on any recognised market index, or determined by any other method that the Lender may select (including independent valuation).

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

15.10 Financial Collateral Regulations

To the extent that the Secured Assets constitute Financial Collateral and this deed and the obligations of the Chargor hereunder constitute a Security Financial Collateral Arrangement the Lender shall have the right at any time after the security constituted by this deed has become enforceable to appropriate all or any of that Secured Assets in or towards the payment and/or discharge of the Secured Liabilities in such order as the Lender in its absolute discretion may from time to time determine. The value of any Secured Assets appropriated in accordance with this clause 15.10 shall be the price of that Secured Assets at the time the right of appropriation is exercised as listed on any recognised market index or determined by such other method as the Lender may select (including independent valuation). The Chargor agrees that the methods of valuation provided for in this clause 15.10 are commercially reasonable for the purposes of the Financial Collateral Regulations.

16 Receiver

16.1 Appointment

At any time after the security constituted by this deed has become enforceable, or at the request of the Chargor, the Lender may, without further notice, appoint by way of deed, or otherwise in writing, any one or more persons to be a Receiver of all or any part of the Secured Assets.

16.2 Removal

The Lender may, without further notice (subject to section 45 of the Insolvency Act 1986), from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

16.3 Remuneration

The Lender may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925, and the remuneration of the Receiver shall be a debt secured by this deed, which shall be due and payable immediately on its being paid by the Lender.

16.4 Power of appointment additional to statutory powers

The power to appoint a Receiver conferred by this deed shall be in addition to all statutory and other powers of the Lender under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

16.5 Power of appointment exercisable despite prior appointments

The power to appoint a Receiver (whether conferred by this deed or by statute) shall be, and remain, exercisable by the Lender despite any prior appointment in respect of all or any part of the Secured Assets.

16.6 Agent of the Chargor

Any Receiver appointed by the Lender under this deed shall be the agent of the Chargor and the Chargor shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver. The agency of each Receiver shall continue until the Chargor goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Lender.

17 Powers of Receiver

The Receiver shall have the powers as set out in Schedule 11.

18 Delegation

18.1 Delegation

The Lender or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this deed (including the power of attorney granted under clause 22.1).

18.2 Terms

The Lender and each Receiver may make a delegation on the terms and conditions (including the power to sub-delegate) that it thinks fit.

18.3 Liability

Neither the Lender nor any Receiver shall 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.

19 Application of proceeds

19.1 Order of application of proceeds

All monies received by the Lender, a Receiver or a Delegate pursuant to this deed, after the security constituted by this deed has become enforceable, shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in the following order of priority:

- 19.1.1 in or towards payment of or provision for all costs, charges and expenses incurred by or on behalf of the Lender (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this deed, and of all remuneration due to any Receiver under or in connection with this deed;
- 19.1.2 in or towards payment of or provision for the Secured Liabilities in any order and manner that the Lender determines; and
- 19.1.3 in payment of the surplus (if any) to the Chargor or other person entitled to it.

19.2 Appropriation

Neither the Lender, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards Interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

19.3 Suspense account

All monies received by the Lender, a Receiver or a Delegate under this deed:

- 19.3.1 may, at the discretion of the Lender, Receiver or Delegate, be credited to any suspense or securities realised account;
- 19.3.2 shall bear interest, if any, at the rate agreed in writing between the Lender and the Chargor; and
- 19.3.3 may be held in that account for so long as the Lender, Receiver or Delegate thinks fit.

20 Costs and indemnity

20.1 Costs

The Chargor shall, on demand, pay to, or reimburse, the Lender and any Receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Lender, any Receiver or any Delegate in connection with:

- 20.1.1 this deed or the Secured Assets;
- 20.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lender's, a Receiver's or a Delegate's rights under this deed; or
- 20.1.3 taking proceedings for, or recovering, any of the Secured Liabilities, together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost or expense arose until full discharge of that cost or expense (whether before or after judgment, liquidation, winding up or administration of the Chargor) at the rate and in the manner specified in any Agreement.

20.2 Indemnity

The Chargor shall indemnify the Lender, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and

losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:

- 20.2.1 the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this deed or by law in respect of the Secured Assets;
- 20.2.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this deed; or
- 20.2.3 any default or delay by the Chargor in performing any of its obligations under this deed.

Any past or present employee or agent may enforce the terms of this clause 20.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

21 Further assurance

- 21.1 The Chargor shall, at its own expense, take whatever action the Lender or any Receiver may reasonably require for:
 - 21.1.1 creating, perfecting or protecting the security intended to be created by this deed;
 - 21.1.2 facilitating the realisation of any Secured Asset; or
 - 21.1.3 facilitating the exercise of any right, power, authority or discretion exercisable by the Lender or any Receiver in respect of any Secured Asset,
- 21.2 including, without limitation (if the Lender or Receiver thinks it expedient) the execution of any transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Secured Assets (whether to the Lender or to its nominee) and the giving of any notice, order or direction and the making of any registration.

22 Power of attorney

- 22.1 Appointment of attorneys
 - 22.1.1 By way of security, the Chargor Irrevocably appoints the Lender, every Receiver and every Delegate separately to be the attorney of the Chargor and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things that:
 - 22.1.1.1 the Chargor is required to execute and do under this deed; or
 - 22.1.1.2 any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this deed or by law on the Lender, any Receiver or any Delegate.
 - 22.1.2 The power of attorney hereby granted is as regards the Lender its delegates and any such Receiver (and as the Chargor hereby acknowledges) granted irrevocably and for value as part of the security constituted by this deed to secure proprietary interests in and the performance of obligations owed to the respective donees within the meaning of the Powers of Attorney Act 1971.

22.1.3 The Chargor agrees to ratify and confirm anything such attorney shall lawfully and properly do or purport to do by virtue of clause 22.1 and all monies expended by any such attorney shall be deemed to be expenses incurred by the Lender under this deed.

22.2 Ratification of acts of attorneys

The Chargor ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in clause 22.1.

23 Release

23.1 Subject to clause 30.3, on the expiry of the Security Period (but not otherwise), the Lender shall, at the request and cost of the Chargor, take whatever action is necessary to:

23.1.1 release the Secured Assets from the security constituted by this deed; and

23.1.2 reassign the Secured Assets to the Chargor.

24 Assignment and transfer

24.1 Assignment by Lender

24.1.1 At any time, without the consent of the Chargor, the Lender may assign or transfer any or all of its rights and obligations under this deed.

24.1.2 The Lender may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Chargor, the Secured Assets and this deed that the Lender considers appropriate.

24.2 Assignment by Chargor

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

25 Set-off

25.1 Lender's right of set-off

The Lender may apply any credit balance (whether or not then due) to which the Chargor is at any time beneficially entitled on any account with the Lender in (or towards) satisfaction of any sum then due and payable (but unpaid) by the Chargor to the Lender under this deed. If such balances are in different currencies, the Lender may convert either balance at a market rate of exchange for the purpose of the set-off.

25.2 No obligation to set off

The Lender is not obliged to exercise its rights under clause 25.1. If, however, it does exercise those rights it must promptly notify the Chargor of the set-off that has been made.

26 Amendments, waivers and consents

26.1 Amendments

No amendment of this deed shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

26.2 Waivers and consents

- 26.2.1 A waiver of any right or remedy under this deed or by law, or any consent given under this deed, is only effective if given in writing and signed by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.
- 26.2.2 A failure or delay by a party to exercise any right or remedy provided under this deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this deed. No single or partial exercise of any right or remedy provided under this deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this deed by the Lender shall be effective unless it is in writing.
- 26.3 Rights and remedies
- 26.4 The rights and remedies provided under this deed are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law or otherwise.
- 26.5 No failure on the part of the Lender to exercise or delay on its part in exercising any of its respective rights powers and remedies provided by this deed or by law (collectively the Rights) shall operate as a waiver thereof nor shall any single or partial waiver of any of the Rights preclude any further or other exercise of that one of the Rights concerned or the exercise of any other of the Rights.
- 26.6 The Chargor hereby agrees to indemnify the Lender and any Receiver against all losses actions claims costs charges expenses and liabilities incurred by the Lender and by any Receiver (including any substitute delegate attorney as aforesaid) in relation to this deed or the Secured Liabilities (including without limitation the costs charges and expenses incurred in the carrying of this deed into effect or in the exercise of any of the rights remedies and powers conferred hereby or in the perfection or enforcement of the security constituted hereby or pursuant hereto or in the perfection or enforcement of any other security for or guarantee in respect of the Secured Liabilities) or occasioned by any breach by the Chargor of any of its covenants or obligations under this deed.
- 27 Severance**
- If any provision (or part of a provision) of this deed is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this deed.
- 28 Counterparts**
- 28.1 This deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.
- 28.2 No counterpart shall be effective until each party has executed and delivered at least one counterpart.

29 Third party rights

- 29.1 Except as expressly provided elsewhere in this deed, a person who is not a party to this deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

30 Further provisions

30.1 Independent security

This deed shall be in addition to, and independent of, any other security or guarantee that the Lender may hold for any of the Secured Liabilities at any time. No prior security held by the Lender over the whole or any part of the Secured Assets shall merge in the security created by this deed.

30.2 Continuing security

This deed shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Lender discharges this deed in writing.

30.3 Discharge conditional

Any release, discharge or settlement between the Chargor and the Lender shall be deemed conditional on no payment or security received by the Lender in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:

30.3.1 the Lender or its nominee may retain this deed and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that the Lender deems necessary to provide the Lender with security against any such avoidance, reduction or order for refund; and

30.3.2 the Lender may recover the value or amount of such security or payment from the Chargor subsequently as if the release, discharge or settlement had not occurred.

30.4 Certificates

A certificate or determination by the Lender as to any amount for the time being due to it from the Chargor under this deed and any Agreement shall be, in the absence of any manifest error, conclusive evidence of the amount due.

30.5 Consolidation

The restriction on the right of consolidation contained in section 93 of the LPA 1925 shall not apply to this deed.

31 Notices

- 31.1 Each notice or other communication given under or in connection with this deed shall be in writing, delivered personally or sent by pre-paid first-class letter, fax or e mail, and sent:

31.1.1 to the Chargor at:

31.1.1.1 the Property; and/or

31.1.1.2 the Chargor's address which is set out in this deed; and/or

31.1.1.3 the Chargor's fax number provided to the Lender; and/or

31.1.1.4 the Chargor's e mail address provided to the Lender

31.1.2 to the Lender at the Lender's address shown above, marked for the attention of The Directors with a copy of the communication sent to loan@lendinvest.com

31.2 The Chargor agrees that any notices to be sent by the Lender under this deed, or any service of any proceedings, may be served by the Lender on the Chargor at the address which is set out in this deed for the Chargor and any service of any such notices or proceedings at that address shall be deemed to be received by the Chargor:

31.2.1 If sent by fax or e mail, when it is transmitted,

31.2.2 If given by hand, at the time of actual delivery, and

31.2.3 If posted, on the second Business Day after the day it was sent by pre-paid first-class post

provided that a notice or other communication sent or given as described in clause 31.1.1 or clause 31.1.2 on a day which is not a Business Day, or after normal business hours, in the place to which or where it is sent or given, shall be deemed to have been received on the next Business Day.

31.3 Receipt by Lender

Any notice or other communication given to the Lender shall be deemed to have been received only on actual receipt.

32 Governing law and jurisdiction

32.1 Governing law

This deed and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

32.2 Jurisdiction

Each party Irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this deed or its subject matter or formation (including non-contractual disputes or claims). Nothing in this clause shall limit the right of the Lender to take proceedings against the Chargor in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

32.3 Agent for service

32.3.1 Where it is necessary for the Chargor to appoint an agent for service, the Chargor will, within five Business Days, notify the Lender in writing that it irrevocably appointed an agent for service as its agent to receive, on its behalf in England or Wales, service of any proceedings under clause 32.2 above. Such notice is to include the name, address, telephone number and fax number of the appointed agent for service.

32.3.2 Such service shall be deemed completed on delivery to such agent (whether or not it is forwarded to and received by the Chargor) and shall be valid until

such time as the Lender has received prior written notice from the Chargor that such agent has ceased to act as agent.

32.3.3 If for any reason such agent ceases to be able to act as agent or no longer has an address in England or Wales, the Chargor shall immediately appoint a substitute acceptable to the Lender and deliver to the Lender the new agent's name, address and fax number within England and Wales.

32.4 Other service

The Chargor irrevocably consents to any process in any legal action or proceedings under clause 32.2 being served on it in accordance with the provisions of this deed relating to service of notices. Nothing contained in this deed shall affect the right to serve process in any other manner permitted by law.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Schedule 1 - Property

Part 1 - Registered Property

All that freehold property known as Land on the east side of Fern Road, St Leonards on Sea as the same is registered at the Land Registry with title absolute under title number ESX319436.

Part 2 - Unregistered Property

N/A

Part 3 - Excluded Property

N/A

Schedule 2 – Representations and Warranties

1 Due incorporation

1.1 The Chargor:

- 1.1.1 is a duly incorporated limited liability company validly existing under the law of its jurisdiction of incorporation, and
- 1.1.2 has the power to own its assets and carry on its business as it is being conducted.

2 Corporate authority

The Chargor has full power to enter into this deed and to exercise its rights and perform its obligations hereunder and all corporate or other action required to authorise the execution of this deed by it and the performance by it of its obligations hereunder has been duly taken.

3 Ownership of Secured Assets

The Chargor is the legal and beneficial owner of the Secured Assets. The Chargor is the legal and beneficial owner of, and has good title to the Secured Assets and no Security exists over its assets save as disclosed in writing by the Chargor to the Lender prior to the date of this deed and to which the Lender has given its prior written consent.

4 Non-contravention

- 4.1 The execution, delivery and performance of the obligations in, and transactions contemplated by, this deed do not and will not contravene or conflict with:
 - 4.1.1 the Chargor's constitutional documents,
 - 4.1.2 any agreement binding on it or its assets or constitute a default or termination event (howsoever described) under any such agreement or instrument to an extent that such conflict, default or termination event has or is reasonably likely to have a Material Adverse Effect, or
 - 4.1.3 any law or regulation or judicial or official order, applicable to it.

5 Authorisations

- 5.1 The Chargor has taken all necessary action and obtained all required or desirable consents to enable it to execute, deliver and perform its obligations under this deed. Any such authorisations are in full force and effect.

6 Information

- 6.1 To the best of the Chargor's knowledge, the information, in written or electronic format, supplied by the Chargor to the Lender in connection with this deed:
 - 6.1.1 was complete, true and accurate in all material respects at the time it was supplied, and
 - 6.1.2 was not and is not misleading in any material respect, nor rendered misleading by a failure to disclose other information,except to the extent that it has been amended, superseded or updated by more recent information supplied by the Chargor to the Lender.

7 No Security

The Secured Assets are free from any Security other than Permitted Prior Security and the Security created by this deed.

8 No adverse claims

- 8.1 The Chargor has not received, or acknowledged notice of, any adverse claim by any person in respect of the Secured Assets or any interest in them.
- 8.2 The Chargor is not in breach of or default under any agreement to which it is a party or which is binding on it or any of its assets to an extent or in a manner which might have a material adverse effect on its business or financial condition

9 No adverse covenants

There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever that materially and adversely affect the Secured Assets.

10 No breaches

- 10.1 There is no breach of any law or regulation that materially and adversely affects the Secured Assets.
- 10.2 the execution of this Deed and the Company's exercise of its rights and performance of its obligations hereunder and under any agreement between the Lender and the Chargor do not constitute and will not result in any breach of any agreement to which it is a party or which is binding on it or its property

11 No interference in enjoyment

No facility necessary for the enjoyment and use of the Secured Assets is subject to terms entitling any person to terminate or curtail its use.

12 No overriding interests

Nothing has arisen, has been created or is subsisting, that would be an overriding interest in any Property.

13 Avoidance of security

No Security expressed to be created under this deed is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Chargor or otherwise.

14 No prohibitions or breaches

There is no prohibition on assignment in any Insurance Policy or Relevant Agreement and the entry into this deed by the Chargor does not, and will not, constitute a breach of any Insurance Policy, Relevant Agreement or any other agreement or instrument binding on the Chargor or its assets.

15 Environmental compliance

The Chargor has, at all times, complied in all material respects with all applicable Environmental Law.

16 Enforceable security

This deed constitutes and will constitute the legal, valid, binding and enforceable obligations of the Chargor, and is and will continue to be effective security over all and every part of the Secured Assets in accordance with its terms.

17 Investments

- 17.1 The Investments are fully paid and are not subject to any option to purchase or similar rights.
- 17.2 No constitutional document of an issuer of an Investment, nor any other agreement:

17.2.1 restricts or inhibits any transfer of the Investments on creation or enforcement of the security constituted by this deed; or

17.2.2 contains any rights of pre-emption in relation to the Investments.

18 Accounts

18.1 The Chargor's accounts for its latest financial year give (in conjunction with the notes thereto) a true and fair view of the financial condition of the Chargor at that date and the results of the Chargor's operations during such financial year.

18.2 Since publication of the said accounts there has been no material adverse change in the business or financial condition of the Chargor.

18.3 The Chargor has sufficient financial resources available to meet its existing commitments and that there has been no adverse change since the date of its latest published audited accounts in its financial condition business or assets.

19 Tax

No deduction for, or on account of, Tax is required from any payment that the Chargor may make under this deed.

20 Disclosure

20.1 The Chargor did not as at the date hereof have any liabilities (contingent or otherwise) which were not disclosed by or reserved against in the said accounts (or the notes thereto) nor were there at that date any unrealised or anticipated losses of the Chargor arising from commitments entered into by it which were not so disclosed or reserved against.

20.2 The information provided by the Chargor to the Lender in connection with any agreement between the Lender and the Chargor was true complete and accurate in all material respects and the Chargor is not aware of any material facts or circumstances that have not been disclosed and which might if disclosed adversely affect the decision of a person considering whether or not to provide finance to the Chargor.

21 This deed

21.1 This deed creates (or, once entered into, will create):

21.1.1 valid, legally binding and enforceable Security for the obligations expressed to be secured by it; and

21.1.2 subject to registration pursuant to section 860 of the Companies Act 2006 and, in the case of real property, registration at the Land Registry, perfected Security over the assets referred to in this deed,

in favour of the Lender, having the priority and ranking expressed to be created by this deed and ranking ahead of all (if any) Security and rights of third parties, except those preferred by law.

22 Governing law

22.1 The choice of English law as the governing law of this deed will be recognised and enforced in its jurisdiction of incorporation and any judgment obtained in England or Wales in relation to this deed will be recognised and enforced in its jurisdiction of incorporation.

Schedule 3 – General Covenants

1 Negative pledge and disposal restrictions

- 1.1 The Chargor shall not:
- 1.1.1 create, or permit to subsist, any Security over any of its assets other than any Security created by this deed or any Permitted Prior Security, or
 - 1.1.2 sell, lease, transfer or otherwise dispose of any of its receivables or assets on recourse terms, or
 - 1.1.3 enter into any arrangement under which money or the benefit of a bank account or other account may be applied, set-off or made subject to a combination of accounts, or
 - 1.1.4 enter into any other preferential arrangement having a similar effect in circumstances where the arrangement or transaction is entered into primarily as a method of raising Indebtedness or financing the acquisition of an asset.
- 1.1.5 paragraph 1.1 shall not apply to:
- (a) any netting or set-off arrangement entered into in the ordinary course of its banking or financing arrangements for the purpose of netting debit and credit balances, or
 - (b) any lien arising by operation of law and in the ordinary course of business, or
 - (c) any Security entered into with the prior written consent of the Lender.

2 Preservation of Secured Assets

The Chargor shall not do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Lender, or materially diminish the value of any of the Secured Assets or the effectiveness of the security created by this deed.

3 Disposals

- 3.1 The Chargor shall not sell, lease, transfer or otherwise dispose of any of its assets other than:
- 3.1.1 trading stock in the ordinary course of business,
 - 3.1.2 assets exchanged for other assets comparable or superior as to type, value and quality, and
 - 3.1.3 assets whose market value is worth less than £10,000 (or its equivalent in another currency or currencies) in any financial year.

4 Ranking of obligations

- 4.1 The Chargor's payment obligations under this deed rank and will at all times rank:
- 4.1.1 to the extent that they are secured, in all respects in priority to all its other Indebtedness, other than Indebtedness preferred by operation of law in the event of its winding up, and
 - 4.1.2 to the extent that they are not so secured, at least equally and rateably in all respects with all its other unsecured and unsubordinated Indebtedness, other than Indebtedness preferred by operation of law in the event of its winding-up.

5 Authorisations

- 5.1 The Chargor shall obtain all consents and authorisations necessary (and do all that is needed to maintain them in full force and effect) under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under this deed and

to ensure the legality, validity, enforceability and admissibility in evidence of this deed in its jurisdiction of incorporation.

6 Compliance with laws and regulations

- 6.1 The Chargor shall not, without the Lender's prior written consent, use or permit the Secured Assets to be used in any way contrary to law.
- 6.2 The Chargor shall:
 - 6.2.1 comply with the requirements of any law and regulation relating to or affecting the Secured Assets or the use of it or any part of them;
 - 6.2.2 obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Secured Assets or their use or that are necessary to preserve, maintain or renew any Secured Asset; and
 - 6.2.3 promptly effect any maintenance, modifications, alterations or repairs that are required by any law or regulation to be effected on or in connection with the Secured Assets.

7 Enforcement of rights

The Chargor shall use its best endeavours to:

- 7.1 procure the prompt observance and performance of the covenants and other obligations imposed on the Chargor's counterparties (including each counterparty in respect of a Relevant Agreement and each insurer in respect of an Insurance Policy); and
- 7.2 enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets which the Lender may require from time to time.

8 Notice of misrepresentation and breaches

The Chargor shall, promptly on becoming aware of any of the same, give the Lender notice in writing of:

- 8.1 any representation or warranty set out in this deed that is incorrect or misleading in any material respect when made or deemed to be repeated; and
- 8.2 any breach of any covenant set out in this deed.

9 Title documents

The Chargor shall, on the execution of this deed (or, if later, the date of acquisition of the relevant Secured Asset), deposit with the Lender and the Lender shall, for the duration of this deed be entitled to hold:

- 9.1 all deeds and documents of title relating to the Secured Assets that are in the possession or control of the Chargor (and if these are not within the possession or control of the Chargor, the Chargor undertakes to obtain possession of all these deeds and documents of title);
- 9.2 all Insurance Policies and any other insurance policies relating to any of the Secured Assets that the Chargor is entitled to possess;
- 9.3 all deeds and documents of title (if any) relating to the Book Debts as the Lender may specify from time to time; and
- 9.4 copies of all the Relevant Agreements, certified to be true copies by either a director of the Chargor or by the Chargor's solicitors.

10 Insurance

- 10.1 The Chargor shall insure and keep insured (or where, in the case of any leasehold property, Insurance is the responsibility of the landlord under the terms of the lease, either procure that the landlord insures and keeps insured or, if and to the extent that the landlord does not do so, itself insure and keep insured) the Secured Assets against:
- 10.1.1 loss or damage by fire or terrorist acts;
 - 10.1.2 other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Chargor; and
 - 10.1.3 any other risk, perils and contingencies as the Lender may reasonably require.
- 10.2 Any such insurance must be with an insurance company or underwriters, and on such terms, as are reasonably acceptable to the Lender, and must be for not less than the replacement value of the Secured Assets.
- 10.3 The Chargor shall, if requested by the Lender, produce to the Lender the policy, certificate or cover note relating to the insurance required by paragraph 10.1 of this Schedule 3 (or where, in the case of any leasehold property, that insurance is effected by the landlord, such evidence of insurance as the Chargor is entitled to obtain from the landlord under the terms of the relevant lease).
- 10.4 The Chargor shall, if requested by the Lender, procure that :
- 10.4.1 the Lender 's Interest is noted or (at the discretion of the Lender which the Lender shall be entitled to exercise at its absolute discretion) is named as joint insured on a composite policy with the Chargor on each insurance policy maintained by it or any person on its behalf in accordance with paragraph 10.1 of this Schedule 3;
 - 10.4.2 the terms of each insurance policy require the insurer not to invalidate the policy as against the Lender by reason of the act or default of any other joint or named insured and not to cancel it without giving at least 30 days' prior written notice to the Lender; and
 - 10.4.3 any insurance policy shall contain a standard mortgagee clause whereby such insurance shall not be vitiated or avoided as against a mortgagee in the event or as a result of any misrepresentation act or neglect or failure to make disclosure on the part of the insured party or any circumstances beyond the control of the insured party; and
 - 10.4.4 Any insurance policy contains a first loss payee clause in such terms as the Lender may require in respect of insurance claim payments otherwise payable to the Chargor.
- 10.5 The Chargor shall procure that the insurance shall be effected:
- 10.5.1 in a value equal to the full cost of reinstatement from time to time (as approved by the Lender) including a proper provision for cost inflation over any period that might be required for planning and negotiation and the reconstruction period plus the cost of demolition and debris removal and architects surveyors and all other professional fees at a minimum of 12.5% of the reinstatement cost and the cost of complying with local authority and other statutory requirements
 - 10.5.2 to include 3 years' loss of rent from the Real Property as a result of destruction thereof or damage thereto in consequence of any insured risk in an amount approved by the Lender taking account of the then estimated rental value of the Real Property; and

10.5.3 to include mortgagee and tenant non-invalidation clauses acceptable to the Lender.

10.6 The Chargor shall procure that the insurance shall be effected:

10.6.1 Where the Real Property is undergoing development redevelopment construction or other building works the Chargor shall effect such further insurance as shall be required and specified by the Lender

11 Insurance premiums

The Chargor shall:

11.1 promptly pay all premiums in respect of each insurance policy maintained by it in accordance with paragraph 10.1 of this Schedule 3 and do all other things necessary to keep that policy in full force and effect; and

11.2 (if the Lender so requires) produce to, or deposit with, the Lender the receipts for all premiums and other payments necessary for effecting and keeping up each insurance policy maintained by it in accordance with paragraph 10.1 of this Schedule 3.

12 No invalidation of insurance

12.1 The Chargor shall not do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any insurance policy maintained by it in accordance with paragraph 10.1 of this Schedule 3.

12.2 The Lender shall require confirmation from the insurance company or underwriters that such insurance cover shall not be altered or cancelled without prior reference to the Lender

13 Proceeds of insurance policies

All monies received or receivable by the Chargor under any insurance policy maintained by it in accordance with paragraph 10.1 of this Schedule 3 (including all monies received or receivable by it under any Insurance Policy) at any time (whether or not the security constituted by this deed has become enforceable) shall:

13.1 immediately be paid into a Designated Account;

13.2 if they are not paid directly to the Lender by the Insurers, be held by the Chargor as trustee of the same for the benefit of the Lender (and the Chargor shall account for them to the Lender); and

13.3 at the option of the Lender, be applied in making good or recouping expenditure in respect of the loss or damage for which those monies are received or in, or towards, discharge or reduction of the Secured Liabilities.

14 Renewal of insurances

14.1 If default shall be made by the Chargor in complying with paragraph 10, 11 or 12 of this Schedule 3, the Lender may but shall be not obliged to, effect or renew any such insurance as is mentioned in that Clause either in its own name or in its name and that of the Chargor jointly or in the name of the Chargor with an endorsement of the Lender's interest. The monies expended by the Lender on so effecting or renewing any such insurance shall be reimbursed by the Chargor to the Lender on demand and until so reimbursed shall carry interest at the rate referred to in paragraph 14.2 below.

14.2 If the Chargor fails to pay any amount payable under this deed on the due date (including for the avoidance of doubt without limitation any sum due to the Lender or any Receiver pursuant to paragraph 14.1 of this Schedule 3 or clause 26.6) it shall

pay interest on the overdue amount from the due date to the date of actual payment calculated by reference to an interest period which shall be selected by the Lender at its discretion, at the rate of interest specified in any Agreement.

15 Notices to be given by the Chargor

The Chargor shall immediately on the execution of this deed (or, if later, the date of acquisition of the relevant Secured Asset):

- 15.1 give notice to each insurer that it has assigned its rights and interest in and under each Insurance Policy under clause 3.3.1 and procure that each addressee of any such notice promptly provides within five Business Days to the Lender an acknowledgement of the notice of the Lender's interest;
- 15.2 give notice to each counterparty to a Relevant Agreement that it has assigned its rights and interest in and under that Relevant Agreement under clause 3.3.2 and procure that each addressee of any such notice promptly provides within five Business Days to the Lender an acknowledgement of the notice of the Lender's interest;
- 15.3 give notice to any bank, financial institution or other person (excluding the Lender) with whom it has an account that it has charged to the Lender its rights and interests under that account under clause 3.2.11 and procure that each addressee of any such notice promptly provides within five Business Days to the Lender an acknowledgement of the notice of the Lender's interest.

The Chargor shall obtain the Lender's prior approval of the form of any notice or acknowledgement to be used under this paragraph 15.

16 Information

The Chargor shall:

- 16.1 give the Lender such information concerning the location, condition, use and operation of the Secured Assets as the Lender may require;
- 16.2 permit any persons designated by the Lender and any Receiver to enter on its premises and inspect and examine any Secured Asset, and the records relating to that Secured Asset, at all reasonable times and on reasonable prior notice; and
- 16.3 promptly notify the Lender in writing of any action, claim or demand made by or against it in connection with any Secured Asset or of any fact, matter or circumstance which may, with the passage of time, give rise to such an action, claim or demand, together with, in each case, the Chargor's proposals for settling, liquidating, compounding or contesting any such action, claim or demand and shall, subject to the Lender's prior approval, implement those proposals at its own expense.

17 Payment of outgoings

The Chargor shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Secured Assets and, on demand, produce evidence of payment to the Lender.

18 Appointment of accountants

- 18.1 The Chargor shall:

- 18.1.1 at its own cost, if at any time so required by the Lender, appoint an accountant or firm of accountants nominated by the Lender to investigate the financial affairs of the Chargor and those of its subsidiaries and report to the Lender; and
- 18.1.2 co-operate fully with any accountants so appointed and immediately provide those accountants with all information requested.
- 18.2 The Chargor authorises the Lender to make an appointment as it shall think fit at any time, without further authority from the Chargor. In every case, the Chargor shall pay, or reimburse the Lender for, the fees and expenses of those accountants.
- 19 Financial statements**
- 19.1 The Chargor shall supply to the Lender:
 - 19.1.1 as soon as they become available, but in any event within 180 days after the end of each of its financial years, its audited financial statements for that financial year, and
 - 19.1.2 as soon as they become available, but in any event within 28 days after the end of each financial half year, its financial statements for that financial half.
- 20 Certification of financial statements**
- 20.1 Each set of financial statements delivered to the Lender by the Chargor shall be certified by a director of the Chargor as giving a true and fair view of its financial condition as at the date at which those financial statements were drawn up.
- 21 Financial statements requirements**
- 21.1 The financial statements delivered to the Lender by the Chargor shall:
 - 21.1.1 be prepared in accordance with consistently applied accounting principles, standards and practices generally accepted in the relevant jurisdiction, using accounting practices and financial reference periods consistent with those applied in the preparation of the Original Financial Statements, and
 - 21.1.2 present a true and fair view of the Chargor's financial condition and operations during the relevant accounting period, and
 - 21.1.3 shall have been approved by the Chargor's directors in compliance with section 393 of the Companies Act 2006.
- 22 Further information**
- 22.1 The Chargor shall supply to the Lender:
 - 22.1.1 all documents dispatched by the Chargor to its shareholders (or any class of them), or its creditors generally, at the same time as they are dispatched,
 - 22.1.2 details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against the Chargor or any of its directors as soon as it becomes aware of them, and which might, if adversely determined, have a Material Adverse Effect, and
 - 22.1.3 any further information about the financial condition, business and operations of the Chargor that the Lender may reasonably request.

Schedule 4 – Property Covenants

1 Maintenance

The Chargor shall keep all buildings and all fixtures on each Property in good and substantial repair and condition provided this requirement shall not apply during any development approved by the Lender under any Agreement on condition the development is carried out and completed by the Chargor.

2 Preservation of Property, fixtures and Equipment

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

- 2.1 pull down or remove the whole, or any part of, any building forming part of any Property or permit the same to occur;
 - 2.2 make or permit any alterations to any Property, or sever or remove, or permit to be severed or removed, any of its fixtures; or
 - 2.3 remove or make any alterations to any of the Equipment belonging to, or in use by, the Chargor on any Property (except to effect necessary repairs or replace them with new or improved models or substitutes),
- provided this requirement shall not apply during any development approved by the Lender under any Agreement on condition the development is carried out and completed by the Chargor

3 Conduct of business on Properties

The Chargor shall carry on its trade and business on those parts (if any) of the Properties as are used for the purposes of trade or business in accordance with the standards of good management from time to time current in that trade or business.

4 Planning information

The Chargor shall:

- 4.1 give full particulars to the Lender of any notice, order, direction, designation, resolution or proposal given or made by any planning authority or other public body or authority (**Planning Notice**) that specifically applies to any Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Planning Notice; and
- 4.2 (if the Lender so requires) immediately, and at the cost of the Chargor, take all reasonable and necessary steps to comply with any Planning Notice, and make, or join with the Lender in making, any objections or representations in respect of that Planning Notice that the Lender may desire.

5 Compliance with covenants and payment of rent

The Chargor shall:

- 5.1 observe and perform all covenants, stipulations and conditions to which each Property, or the use of it, is or may be subjected, and (if the Lender so requires) produce evidence sufficient to satisfy the Lender that those covenants, stipulations and conditions have been observed and performed;
- 5.2 diligently enforce all covenants, stipulations and conditions benefiting each Property and shall not (and shall not agree to) waive release or vary any of the same; and

- 5.3 (without prejudice to the generality of the foregoing) where a Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time, and perform and observe all the tenant's covenants and conditions.

6 Payment of rent and outgoings

The Chargor shall:

- 6.1 where a Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time; and
- 6.2 pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments and other outgoings relating to or imposed on each Property or on its occupier.

7 Maintenance of interests in Properties

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

- 7.1 grant, or agree to grant, any licence or tenancy affecting the whole or any part of any Property, or exercise, or agree to exercise, the statutory powers of leasing or of accepting surrenders under sections 99 or 100 of the Law of Property Act 1925; or
- 7.2 in any other way dispose of, surrender or create, or agree to dispose of surrender or create, any legal or equitable estate or interest in the whole or any part of any Property.

8 Registration restrictions

If the title to any Property is not registered at the Land Registry, the Chargor shall procure that no person (other than itself) shall be registered under the Land Registration Acts 1925 to 2002 as proprietor of all or any part of any Property without the prior written consent of the Lender. The Chargor shall be liable for the costs and expenses of the Lender in lodging cautions against the registration of the title to the whole or any part of any Property from time to time.

9 Development restrictions

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

- 9.1 make or, insofar as it is able, permit others to make any application for planning permission or development consent in respect of the Property; or
- 9.2 carry out, or permit, or suffer to be carried out on any Property any development as defined in the Town and Country Planning Act 1990 and the Planning Act 2008, or change or permit or suffer to be changed the use of any Property.

10 Environment

The Chargor shall:

- 10.1 comply with all the requirements of Environmental Law both in the conduct of its general business and in the management, possession or occupation of each Property; and
- 10.2 obtain and comply with all authorisations, permits and other types of licences necessary under Environmental Law.

11 No restrictive obligations

The Chargor shall not, without the prior written consent of the Lender, enter into any onerous or restrictive obligations affecting the whole or any part of any Property, or

create or permit to arise any overriding interest, easement or right whatever in or over the whole or any part of any Property.

12 Proprietary rights

The Chargor shall procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of any Property without the prior written consent of the Lender.

13 Inspection

The Chargor shall permit the Lender, any Receiver and any person appointed by either of them to enter on and inspect any Property on reasonable prior notice.

14 Property information

The Chargor shall inform the Lender promptly of any acquisition by the Chargor of, or contract made by the Chargor to acquire, any freehold, leasehold or other interest in any property.

15 VAT option to tax

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

- 15.1 exercise any VAT option to tax in relation to any Property; or
- 15.2 revoke any VAT option to tax exercised, and disclosed to the Lender, before the date of this deed.

16 Registration at the Land Registry

The Chargor consents to an application being made by the Lender to the Land Registrar for the following restriction in Form P to be registered against its title to each Property:

"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 LENDINVEST FINANCE NO. 1 LIMITED referred to in the charges register or its conveyancer.

17 Rents

The Chargor shall not without the prior written consent of the Lender serve any notice on any former tenant on any part of the Real Property under Section 17 Landlord and Tenant (Covenants) Act 1995 but subject thereto shall use its best endeavours to procure the payment of rents reserved by and the observance and performance of the covenants stipulations and conditions contained in all leases of the Real Property derived out of the Chargor's interest therein and on the part of the tenants thereunder to be paid observed and performed and to observe and perform the covenants stipulations and conditions on the part of the Chargor to be observed and performed thereunder.

Schedule 5 – Investment Covenants

1 Deposit of title documents

1.1 The Chargor shall:

- 1.1.1** on the execution of this deed, deposit with the Lender all stock or share certificates and other documents of title or evidence of ownership relating to any Investments owned by the Chargor at that time; and
- 1.1.2** on the purchase or acquisition by it of Investments after the date of this deed, deposit with the Lender all stock or share certificates and other documents of title or evidence of ownership relating to those Investments.
- 1.2** At the same time as depositing documents with the Lender in accordance with paragraph 1.1.1 of this Schedule 5 or paragraph 1.1.2 of this Schedule 5, the Chargor shall also deposit with the Lender:
 - 1.2.1** all stock transfers forms relating to the relevant Investments duly completed and executed by or on behalf of the Chargor, but with the name of the transferee, the consideration and the date left blank; and
 - 1.2.2** any other documents (in each case duly completed and executed by or on behalf of the Chargor) that the Lender may request in order to enable it or any of its nominees, or any purchaser or transferee, to be registered as the owner of, or otherwise obtain a legal title to, or to perfect its security interest in any of the relevant Investments,so that the Lender may, at any time and without notice to the Chargor, complete and present those stock transfer forms and other documents to the issuer of the Investments for registration.

2 Nominations

- 2.1** The Chargor shall terminate with immediate effect all nominations it may have made (including, without limitation, any nomination made under section 145 or section 146 of the Companies Act 2006) in respect of any Investments and, pending that termination, procure that any person so nominated:
 - 2.1.1** does not exercise any rights in respect of any Investments without the prior written approval of the Lender; and
 - 2.1.2** immediately on receipt by it, forward to the Lender all communications or other information received by it in respect of any Investments for which it has been so nominated.
- 2.2** The Chargor shall not, during the Security Period, exercise any rights (including, without limitation, any rights under sections 145 and 146 of the Companies Act 2006) to nominate any person in respect of any of the Investments.

3 Additional registration obligations

The Chargor shall:

- 3.1** obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association (or otherwise) of an issuer, for the transfer of the Investments to the Lender or its nominee, or to a purchaser on enforcement of this deed; and
- 3.2** procure the amendment of the share transfer provisions (including, but not limited to, deletion of any pre-emption provisions) under the articles of association, other constitutional document or otherwise of each issuer in any manner that the Lender

may require in order to permit the transfer of the Investments to the Lender or its nominee, or to a purchaser on enforcement of this deed.

4 Dividends and voting rights before enforcement

- 4.1 Before the security constituted by this deed becomes enforceable, the Chargor may retain and apply for its own use all dividends, interest and other monies paid or payable in respect of the Investments and, if any are paid or payable to the Lender or any of its nominees, the Lender will hold all those dividends, interest and other monies received by it for the Chargor and will pay them to the Chargor promptly on request; and
- 4.2 Before the security constituted by this deed becomes enforceable, the Chargor may exercise all voting and other rights and powers in respect of the Investments or, if any of the same are exercisable by the Lender or any of its nominees, to direct in writing the exercise of those voting and other rights and powers provided that:
 - 4.2.1 it shall not do so in any way that would breach any provision of any Agreement or this deed or for any purpose inconsistent with any Agreement or this deed; and
 - 4.2.2 the exercise of, or the failure to exercise, those voting rights or other rights and powers would not, in the Lender's opinion, have an adverse effect on the value of the Investments or otherwise prejudice the Lender's security under this deed.
- 4.3 The Chargor shall indemnify the Lender against any loss or liability incurred by the Lender (or its nominee) as a consequence of the Lender (or its nominee) acting in respect of the Investments at the direction of the Chargor.
- 4.4 The Lender shall not, by exercising or not exercising any voting rights or otherwise, be construed as permitting or agreeing to any variation or other change in the rights attaching to or conferred by any of the Investments that the Lender considers prejudicial to, or impairing the value of, the security created by this deed.

5 Dividends and voting rights after enforcement

After the security constituted by this deed has become enforceable:

- 5.1 all dividends and other distributions paid in respect of the Investments and received by the Chargor shall be held by the Chargor on trust for the Lender and immediately paid into a Designated Account or, if received by the Lender, shall be retained by the Lender; and
- 5.2 all voting and other rights and powers attaching to the Investments shall be exercised by, or at the direction of, the Lender and the Chargor shall, and shall procure that its nominees shall, comply with any directions the Lender may give, in its absolute discretion, concerning the exercise of those rights and powers.

6 Calls on Investments

The Chargor shall promptly pay all calls, instalments and other payments that may be or become due and payable in respect of all or any of the Investments. The Chargor acknowledges that the Lender shall not be under any liability in respect of any such calls, instalments or other payments.

7 No alteration of constitutional documents or rights attaching to Investments

The Chargor shall not, without the prior written consent of the Lender, amend, or agree to the amendment of:

- 7.1 the memorandum or articles of association (or otherwise), or any other constitutional documents, of any issuer that is not a public company; or
- 7.2 the rights or liabilities attaching to any of the Investments.

8 Preservation of Investments

The Chargor shall ensure (as far as it is able to by the exercise of all voting rights, powers of control and other means available to it) that any issuer that is not a public company shall not:

- 8.1 consolidate or subdivide any of its Investments, or reduce or re-organise its share capital in any way;
- 8.2 issue any new shares or stock; or
- 8.3 refuse to register any transfer of any of its Investments that may be lodged for registration by, or on behalf of, the Lender or the Chargor in accordance with this deed.

9 Investments information

The Chargor shall, promptly following receipt, send to the Lender copies of any notice, circular, report, accounts and any other document received by it that relates to the Investments.

Schedule 6 – Equipment Covenants

1 Maintenance of Equipment

The Chargor shall:

- 1.1 maintain the Equipment in good and serviceable condition (except for expected fair wear and tear) in compliance with all relevant manuals, handbooks, manufacturer's instructions and recommendations and maintenance or servicing schedules;
- 1.2 not without the prior written consent of the Lender sell assign mortgage charge transfer title to or otherwise dispose of any part of the Equipment nor lease hire or otherwise part with possession (except in the ordinary course of maintenance) or operational control of any part of the Equipment or any interest therein;
- 1.3 at its own expense, renew and replace any parts of the Equipment when they become obsolete, worn out or damaged with parts of a similar quality and of equal or greater value; and
- 1.4 not permit any Equipment to be:
 - 1.4.1 used or handled other than by properly qualified and trained persons; or
 - 1.4.2 overloaded or used for any purpose for which it is not designed or reasonably suitable.

2 Payment of Equipment taxes

The Chargor shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Equipment and, on demand, produce evidence of such payment to the Lender.

3 Notice of charge

The Chargor:

- 3.1 shall, if so requested by the Lender, affix to and maintain on each item of Equipment in a conspicuous place, a clearly legible identification plate containing the following wording:

"NOTICE OF CHARGE

This **[DESCRIBE ITEM]** and all additions to it and ancillary equipment are subject to a fixed charge dated **[DATE]** in favour of LENDINVEST ~~PRIVATE FINANCE~~ GENERAL PARTNERS LIMITED."

NO. 1

WALUP

- 3.2 shall not, and shall not permit any person to, conceal, obscure, alter or remove any plate affixed in accordance with paragraph 3.1 of this Schedule 6.

Schedule 7 – Book Debts Covenants

1 Realising Book Debts

The Chargor shall:

- 1.1 as an agent for the Lender, collect in and realise all Book Debts, pay the proceeds into a Designated Account immediately on receipt and, pending that payment, hold those proceeds in trust for the Lender;
- 1.2 not, without the prior written consent of the Lender, withdraw any amounts standing to the credit of any Designated Account; and
- 1.3 if called on to do so by the Lender, execute a legal assignment of the Book Debts to the Lender on such terms as the Lender may require and give notice of that assignment to the debtors from whom the Book Debts are due, owing or incurred.

2 Preservation of Book Debts

The Chargor shall not (except as provided by paragraph 1 of this Schedule 7 or with the prior written consent of the Lender) release, exchange, compound, set-off, grant time or indulgence in respect of, or in any other manner deal with, all or any of the Book Debts.

Schedule 8 – Relevant Agreements Covenants

1 Relevant Agreements

The Chargor shall, unless the Lender agrees otherwise in writing:

- 1.1 comply with the terms of;
- 1.2 not amend or vary or agree to any change in, or waive any requirement of;
- 1.3 not settle, compromise, terminate, rescind or discharge (except by performance); and
- 1.4 not abandon, waive, dismiss, release or discharge any action, claim or proceedings against any counterparty to a Relevant Agreement or other person in connection with,
any Relevant Agreement and any other document, agreement or arrangement comprising the Secured Assets (other than the Insurance Policies).

Schedule 9 – Intellectual Property Covenants

1 Preservation of rights

The Chargor shall take all necessary action to safeguard and maintain present and future rights in, or relating to, the Intellectual Property including (without limitation) by observing all covenants and stipulations relating to those rights, and by paying all applicable renewal fees, licence fees and other outgoings.

2 Registration of Intellectual Property

The Chargor shall use all reasonable efforts to register applications for the registration of any Intellectual Property, and shall keep the Lender informed of all matters relating to each such registration.

3 Maintenance of Intellectual Property

The Chargor shall not permit any Intellectual Property to be abandoned, cancelled or to lapse.

Schedule 10 – Powers of the Lender

1 Power to remedy

- 1.1 The Lender shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Chargor of any of its obligations contained in this deed.
- 1.2 The Chargor irrevocably authorises the Lender and its agents to do all things that are necessary or desirable for that purpose.
- 1.3 Any monies expended by the Lender in remedying a breach by the Chargor of its obligations contained in this deed shall be reimbursed by the Chargor to the Lender on a full indemnity basis and shall carry interest in accordance with clause 20.1.

2 Exercise of rights

The rights of the Lender under paragraph 1 of this Schedule 10 are without prejudice to any other rights of the Lender under this deed. The exercise of any rights of the Lender under this deed shall not make the Lender liable to account as a mortgagee in possession.

3 Power to dispose of chattels

- 3.1 At any time after the security constituted by this deed has become enforceable, the Lender or any Receiver may, as agent for the Chargor, dispose of any chattels or produce found on any Property.
- 3.2 Without prejudice to any obligation to account for the proceeds of any disposal made under paragraph 3.1 of this Schedule 10, the Chargor shall indemnify the Lender and any Receiver against any liability arising from any disposal made under paragraph 3.1 of this Schedule 10.

4 Lender has Receiver's powers

To the extent permitted by law, any right, power or discretion conferred by this deed on a Receiver may, after the security constituted by this deed has become enforceable, be exercised by the Lender in relation to any of the Secured Assets whether or not it has taken possession of any Secured Assets and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

5 Conversion of currency

- 5.1 For the purpose of, or pending the discharge of, any of the Secured Liabilities, the Lender may convert any monies received, recovered or realised by it under this deed (including the proceeds of any previous conversion under this paragraph 5) from their existing currencies of denomination into any other currencies of denomination that the Lender may think fit.
- 5.2 Any such conversion shall be effected at Barclays Bank then prevailing spot selling rate of exchange for such other currency against the existing currency.
- 5.3 Each reference in this paragraph 5 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

6 New accounts

- 6.1 If the Lender receives, or is deemed to have received, notice of any subsequent Security, or other interest, affecting all or part of the Secured Assets, the Lender may open a new account for the Chargor in the Lender's books. Without prejudice to the Lender's right to combine accounts, no money paid to the credit of the Chargor in any

such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.

- 6.2 If the Lender does not open a new account immediately on receipt of the notice, or deemed notice, under paragraph 6.1 of this Schedule 10, then, unless the Lender gives express written notice to the contrary to the Chargor, all payments made by the Chargor to the Lender shall be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt or deemed receipt of the relevant notice by the Lender.

7 Lender's set-off rights

If the Lender has more than one account for the Chargor in its books, the Lender may at any time after:

- 7.1 the security constituted by this deed has become enforceable; or
- 7.2 the Lender has received, or is deemed to have received, notice of any subsequent Security or other Interest affecting all or any part of the Secured Assets,
- transfer, without prior notice, all or any part of the balance standing to the credit of any account to any other account that may be in debit. After making any such transfer, the Lender shall notify the Chargor of that transfer.

8 Indulgence

The Lender may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a party to this deed (whether or not any such person is jointly liable with the Chargor) in respect of any of the Secured Liabilities, or of any other security for them without prejudice either to this deed or to the liability of the Chargor for the Secured Liabilities.

9 Appointment of an Administrator

- 9.1 The Lender may, without notice to the Chargor, appoint any one or more persons to be an Administrator of the Chargor pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this deed becomes enforceable.
- 9.2 Any appointment under this paragraph 9 shall:
- 9.2.1 be in writing signed by a duly authorised signatory of the Lender; and
- 9.2.2 take effect, in accordance with Paragraph 19 of Schedule B1 of the Insolvency Act 1986.
- 9.3 The Lender may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this paragraph 9 appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

Schedule 11 – Powers of the Receiver

1 General

- 1.1 Any Receiver appointed by the Lender under this deed shall, in addition to the powers conferred on him by statute, have the powers set out in paragraphs 2 to 23 of this Schedule 11.
- 1.2 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this deed individually and to the exclusion of any other Receiver.
- 1.3 Any exercise by a Receiver of any of the powers given by this Schedule 11 may be on behalf of the Chargor, the directors of the Chargor (In the case of the power contained in paragraph 16 of this Schedule 11) or himself.

2 Repair and develop Properties

A Receiver may undertake or complete any works of repair, building or development on the Properties and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same.

3 Surrender leases

A Receiver may grant, or accept surrenders of, any leases or tenancies affecting any Property and may grant any other interest or right over any Property on any terms, and subject to any conditions, that he thinks fit.

4 Employ personnel and advisors

A Receiver may provide services and employ, or engage any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that he thinks fit. A Receiver may discharge any such person or any such person appointed by the Chargor.

5 Make VAT elections

A Receiver may make, exercise or revoke any value added tax option to tax as he thinks fit.

6 Remuneration

A Receiver may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) that the Lender may prescribe or agree with him.

7 Realise Secured Assets

A Receiver may collect and get in the Secured Assets or any part of them in respect of which he is appointed, and make any demands and take any proceedings as may seem expedient for that purpose, and take possession of the Secured Assets with like rights.

8 Manage or reconstruct the Chargor's business

A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Chargor.

9 Dispose of Secured Assets

A Receiver may sell, exchange, convert into money and realise all or any of the Secured Assets in respect of which he is appointed in any manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as he thinks fit. Any sale may be for any consideration that the Receiver thinks fit and a Receiver may promote, or concur in promoting, a company to purchase the Secured Assets to be sold.

10 Sever fixtures and fittings

A Receiver may sever and sell separately any fixtures or fittings from any Property without the consent of the Chargor.

11 Sell Book Debts

A Receiver may sell and assign all or any of the Book Debts in respect of which he is appointed in any manner, and generally on any terms and conditions, that he thinks fit.

12 Valid receipts

A Receiver may give valid receipt for all monies and execute all assurances and things that may be proper or desirable for realising any of the Secured Assets.

13 Make settlements

A Receiver may make any arrangement, settlement or compromise between the Chargor and any other person that he may think expedient.

14 Bring proceedings

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Secured Assets as he thinks fit.

15 Improve the Equipment

A Receiver may make substitutions of, or improvements to, the Equipment as he may think expedient.

16 Make calls on Chargor members

A Receiver may make calls conditionally or unconditionally on the members of the Chargor in respect of uncalled capital with (for that purpose and for the purpose of enforcing payments of any calls so made) the same powers as are conferred by the articles of association of the Chargor on its directors in respect of calls authorised to be made by them.

17 Insure

A Receiver may, if he thinks fit, but without prejudice to the indemnity in clause 20, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Chargor under this deed.

18 Powers under the LPA 1925

A Receiver may exercise all powers provided for in the LPA 1925 in the same way as if he had been duly appointed under the LPA 1925, and exercise all powers provided for an administrative receiver in Schedule 1 to the Insolvency Act 1986.

19 Borrow

A Receiver may, for any of the purposes authorised by this Schedule 11, raise money by borrowing from the Lender (or from any other person) either unsecured or on the

security of all or any of the Secured Assets in respect of which he is appointed on any terms that he thinks fit (including, if the Lender consents, terms under which that security ranks in priority to this deed).

20 Redeem prior Security

A Receiver may redeem any prior Security and settle and pass the accounts to which the Security relates. Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Chargor, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

21 Delegation

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

22 Absolute beneficial owner

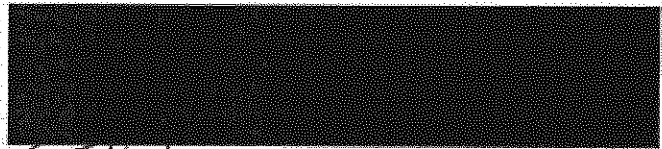
A Receiver may, in relation to any of the Secured Assets, exercise all powers, authorisations and rights he would be capable of exercising, and do all those acts and things, as an absolute beneficial owner could exercise or do in the ownership and management of the Secured Assets or any part of the Secured Assets.

23 Incidental powers

A Receiver may do any other acts and things:

- 23.1 that he may consider desirable or necessary for realising any of the Secured Assets;
- 23.2 that he may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this deed or law; or
- 23.3 that he lawfully may or can do as agent for the Chargor.

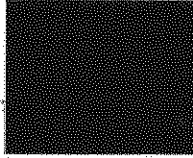
Executed as a deed by **SYNCARDIA
HOMES (FERNDALE) LTD** acting by a
Director



Director

In the presence of a witness:

Witness signature.....



Witness name

Witness address

Witness occupation

Frederick Rylah, Solicitor
Kenneth Elliott & Rowe Solicitors
Enterprise House
18 Eastern Road
Romford
Essex RM1 3PJ

Executed as a deed by **LENDINVEST
FINANCE NO.1 LIMITED** acting by a
Director

.....

Director

In the presence of:

Witness signature.....

Witness name

Witness address

Witness occupation