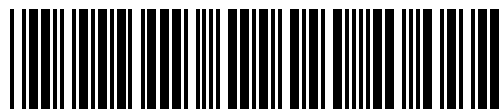




Registration of a Charge

Company Name: **KERACO CONSTRUCTION LTD**

Company Number: **11781244**



Received for filing in Electronic Format on the: **07/09/2022**

XBC0H5TD

Details of Charge

Date of creation: **07/09/2022**

Charge code: **1178 1244 0004**

Persons entitled: **CAPITALSTACKERS TRUSTEES LIMITED**

Brief description: **ALL THAT FREEHOLD INTEREST IN THE LAND AND PROPERTY KNOWN AS 44 LOVELACE AVENUE SOLIHUL, BEING THE WHOLE OF THE REGISTERED TITLE UNDER TITLE NUMBER: WM73625**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **MATTHEW CATTERALL**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 11781244

Charge code: 1178 1244 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 7th September 2022 and created by KERACO CONSTRUCTION LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 7th September 2022 .

Given at Companies House, Cardiff on 12th September 2022

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



Companies House



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

Dated 7 September 2022

KERACO CONSTRUCTION LIMITED
and
CAPITALSTACKERS TRUSTEES LIMITED

SECURITY DEED



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THIS DEED IS MADE ON 7 September 2022

BETWEEN

- (1) **KERACO CONSTRUCTION LIMITED** (Company Number: 11781244), whose registered office is situated at 26 Lovelace Avenue, Solihull, United Kingdom, B91 3JR. (the "**Borrower**"); and
- (2) **CAPITALSTACKERS TRUSTEES LIMITED** incorporated and registered in England and Wales with company number 08845304 whose registered office is at Riverside House, Kings Reach Business Park, Yew Street, Stockport, Cheshire, SK4 2HD (the "**Security Trustee**").

RECITALS

- (A) The Security Trustee is acting as attorney for and as agent of the Lending Members.
- (B) The Security Trustee holds, amongst other things, all its right, title and interest under this deed on trust for the Lending Members.
- (C) The Lending Members are each making Loans (as defined in the Facility Agreement) available to the Borrower on a secured basis and subject to the terms of the Facility Agreement as arranged via a peer-to-peer lending platform operated by CapitalStackers Limited, which is authorised by the Financial Conduct Authority.
- (D) The Borrower owns the Property.
- (E) This deed provides security which the Borrower has agreed to give the Security Trustee for the Facility made or to be made available under the Facility Agreement.

IT IS HEREBY AGREED

1. DEFINITIONS AND INTERPRETATION

1.1 DEFINITIONS

The following definitions apply in this deed.

"Book Debts" all present and future book and other debts, and monetary claims due or owing to the Borrower, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Borrower in relation to any of them.

"Business Day":	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.
"Charged Property":	all the assets, property and undertaking for the time being subject to any Security created by this deed (and references to the Charged Property shall include references to any part of it).
"Default Interest Rate":	has the meaning given to that expression in the Facility Agreement.
"Delegate":	any person appointed by the Security Trustee or any Receiver under clause 13 and any person appointed as attorney of the Security Trustee, Receiver or Delegate.
"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.
"Environmental Licence":	any authorisation, permit or licence necessary under Environmental Law in respect of any of the Charged Property.
"Escrow Account":	the deal wallet in the name of Keraco Construction Limited held with Modulr FS Limited, with Account Number: [], Sort Code: 04-00-72
"Event of Default":	has the meaning given to that expression in the Facility Agreement.
"Facility Agreement":	the facility agreement, dated on or around the date of this deed, made between the Borrower (1) and the Security

Trustee (2) in relation to the provision of a £1,520,000.00 sterling, secured term loan facility, as amended, varied, extended or renewed from time to time.

"Facility": has the meaning given to that expression in the Facility Agreement.

"Insurance Policy": each contract or policy of insurance effected or maintained by the Borrower or the building contractor from time to time in respect of the Property.

"Lending Member" means a person who is registered and recognised as a lending member of the Network

"Loan": has the meaning given to that expression in the Facility Agreement.

"LPA 1925": the Law of Property Act 1925.

"Network" means the peer to peer lending network established by Capitalstackers.

"Permitted Security": the Security as set out in Schedule 1

"Property": the freehold or leasehold property (whether registered or unregistered) owned by the Borrower described in Schedule 2.

"Receiver": a receiver or a receiver and manager of any or all of the Charged Property.

"Relevant Agreement" any Material Contracts (as defined in the Facility Agreement) and any (and all) collateral warranties provided to the Borrower by any member of the Professional Team (as defined in the Facility Agreement), the building contractor or any subcontractors.

"Rental Income" all amounts paid or payable to or for the account of the Borrower in connection with the letting, licence or grant of

other rights of use or occupation of all or any part of the Property.

“Report on Title”: any report on title relating to the Property supplied to the Security Trustee and based on information supplied by the Borrower (or on its behalf).

“Secured Liabilities”: all present and future monies, obligations and liabilities owed by the Borrower to the Security Trustee, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, under or in connection with the Facility Agreement or this deed (including, without limitation, those arising under clause 24.3.2) together with all interest (including, without limitation, default interest) accruing in respect of those monies or liabilities.

“Security Period”: the period starting on the date of this deed and ending on the date on which the Security Trustee 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.

“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.

“Senior Lender” NONE

“Valuation”: any valuation relating to the Property supplied to the Security Trustee by the Borrower (or on its behalf).

“VAT”: value added tax.

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 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- 1.2.4 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- 1.2.5 a reference to a party shall include that party's successors, permitted assigns and permitted transferees;
- 1.2.6 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- 1.2.7 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- 1.2.8 a reference to **writing** or **written** includes fax but not e-mail;
- 1.2.9 an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- 1.2.10 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;
- 1.2.11 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;
- 1.2.12 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;

- 1.2.13 a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and **amended** shall be construed accordingly);
- 1.2.14 a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- 1.2.15 a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- 1.2.16 a reference to **continuing** in relation to an Event of Default means an Event of Default that has not been remedied or waived;
- 1.2.17 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
- 1.2.18 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 Security Trustee considers that an amount paid by the Borrower in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Borrower 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 the Property** includes:

- 1.4.1 all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) and fixed plant and machinery that are situated on or form part of the Property at any time;
- 1.4.2 the proceeds of the sale of any part of the Property and any other monies paid or payable in respect of or in connection with the Property;

1.4.3 the benefit of any covenants for title given, or entered into, by any predecessor in title of the Borrower in respect of the 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 the 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 the Facility Agreement and of any side letters between any parties in relation to the Facility 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 Borrower shall, on demand, pay to the Security Trustee and discharge the Secured Liabilities when they become due.

3. GRANT OF SECURITY

3.1 LEGAL MORTGAGE AND FIXED CHARGES

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee charges to the Security Trustee:

3.1.1 by way of legal mortgage, the Property; and

3.1.2 by way of fixed charge:

(a) all Properties acquired by the Borrower in the future;

(b) all present and future interests of the Borrower not effectively mortgaged or charged under the preceding provisions of this clause 3 in, or over, freehold or leasehold property;

(c) all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection

with each Insurance Policy, the Rental Income and the benefit of any guarantee or security in respect of the Rental Income to the extent not effectively assigned under clause 3.2;

- (d) all its rights in respect of each Relevant Agreement and all other agreements, instruments and rights relating to the Charged Property, to the extent not effectively assigned under clause 3.2;
- (e) the benefit of all present and future rights, licences, rents, deposits, contracts, guarantees, covenants, appointments and warranties relating to the Charged Property and other documents to which the Borrower is a party or which are in its favour or of which it has the benefit relating to any letting, development, sale, purchase, use or the operation of the Charged Property or otherwise relating to the Charged Property (including, in each case, but without limitation, the right to demand and receive all monies whatever payable to or for its benefit under or arising from any of them, all remedies provided for in any of them or available at law or in equity in relation to any of them, the right to compel performance of any of them and all other rights, interests and benefits whatever accruing to or for its benefit arising from any of them);
- (f) all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to each Property;
- (g) all authorisations (statutory or otherwise) held or required in connection with the Borrower's business carried on at the Property or the use of any Charged Property, and all rights in connection with them.
- (h) all licences, consents and authorisations (statutory or otherwise) held or required in connection with the Borrower's business or the use of any Secured Asset, and all rights in connection with them;
- (i) all its present and future goodwill;
- (j) all its uncalled capital;
- (k) all the Book Debts;
- (l) all monies from time to time held in the Escrow Account on behalf of the Borrower together with all other rights and benefits accruing

to or arising in connection with such monies (including, but not limited to, entitlements to interest)

- (m) all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person, together with all other rights and benefits accruing to or arising in connection with each account (including, but not limited to, entitlements to interest);

3.2 ASSIGNMENT

To the extent not already assigned to the Senior Lender, as a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee assigns to the Security Trustee absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities:-

- 3.2.1 all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy; and
- 3.2.2 the Rental Income and the benefit of any guarantee or security in respect of the Rental Income; and
- 3.2.3 the benefit of each Relevant Agreement and the benefit of all other agreements, instruments and rights relating to the Charged Property, provided that nothing in this clause 3.2 shall constitute the Security Trustee as mortgagee in possession.

3.3 FLOATING CHARGE

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee charges to the Security Trustee, by way of floating charge, all the undertaking, property, assets and rights of the Borrower at any time not effectively mortgaged, charged or assigned pursuant to this clause 3 inclusive.

3.4 QUALIFYING FLOATING CHARGE

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 3.3.

3.5 AUTOMATIC CRYSTALLISATION OF FLOATING CHARGE

The floating charge created by clause 3.3 shall automatically and immediately (without notice) be converted into a fixed charge over the assets subject to that floating charge if:

3.5.1 the Borrower:

- (a) creates, or attempts to create, without the prior written consent of the Security Trustee, a Security or a trust in favour of another person over all or any part of the Charged Property (except as expressly permitted by the terms of this deed or the Facility Agreement); or
- (b) disposes, or attempts to dispose of, without the prior written consent of the Security Trustee, all or any part of the Charged Property (other than Charged Property that are only subject to the floating charge while it remains uncrystallised);

3.5.2 any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Charged Property; or

3.5.3 a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Borrower.

3.6 CRYSTALLISATION OF FLOATING CHARGE BY NOTICE

The Security Trustee may, in its sole discretion, at any time and by written notice to the Borrower, convert the floating charge created under this deed into a fixed charge as regards any part of the Charged Property specified by the Security Trustee in that notice.

3.7 ASSETS ACQUIRED AFTER ANY FLOATING CHARGE HAS CRYSTALLISED

Any asset acquired by the Borrower 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 Security Trustee confirms otherwise to the Borrower in writing) be charged to the Security Trustee by way of fixed charge.

4. PERFECTION OF SECURITY

4.1 REGISTRATION OF LEGAL MORTGAGE AT THE LAND REGISTRY

The Borrower consents to an application being made by the Security Trustee to the Land Registrar for the following restriction in Form P to be registered against its title to the 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 **7 September 2022** in favour of CapitalStackers Trustees Limited referred to in the charges register or their conveyancer. "

4.2 CAUTIONS AGAINST FIRST REGISTRATION AND NOTICES

Whether or not title to the Property is registered at the Land Registry, if any caution against first registration or any notice (whether agreed or unilateral) is registered against the Borrower's title to the Property, the Borrower shall immediately provide the Security Trustee with full particulars of the circumstances relating to such caution or notice. If such caution or notice was registered to protect a purported interest the creation of which is not permitted under this deed, the Borrower shall immediately, and at its own expense, take such steps as the Security Trustee may require to ensure that the caution or notice, as applicable, is withdrawn or cancelled.

5. LIABILITY OF THE BORROWER

5.1 LIABILITY NOT DISCHARGED

The Borrower's liability under this deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

- 5.1.1 any security, guarantee, indemnity, remedy or other right held by, or available to, the Security Trustee that is or becomes wholly or partially illegal, void or unenforceable on any ground;
- 5.1.2 the Security Trustee 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
- 5.1.3 any other act or omission, which but for this clause 5.1 might have discharged, or otherwise prejudiced or affected, the liability of the Borrower.

5.2 IMMEDIATE RECOURSE

The Borrower waives any right it may have to require the Security Trustee 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 Borrower.

6. REPRESENTATIONS AND WARRANTIES

6.1 TIMES FOR MAKING REPRESENTATIONS AND WARRANTIES

The Borrower makes the representations and warranties set out in this clause 6 to the Security Trustee on the date of this deed.

6.2 OWNERSHIP OF CHARGED PROPERTY

The Borrower is the legal and beneficial owner of the Charged Property and has good and marketable title to the Property.

6.3 NO SECURITY

The Charged Property is free from any Security other than Permitted Security and the Security created by this deed.

6.4 NO ADVERSE CLAIMS

The Borrower has not received, or acknowledged notice of, any adverse claim by any person in respect of the Charged Property or any interest in it.

6.5 NO ADVERSE COVENANTS

There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatever that materially and adversely affect the Charged Property.

6.6 NO BREACH OF LAWS

There is no breach of any law or regulation that materially and adversely affects the Charged Property.

6.7 NO INTERFERENCE IN ENJOYMENT

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

6.8 NO OVERRIDING INTERESTS

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

6.9 NO PROHIBITIONS OR BREACHES

There is no prohibition on the Borrower assigning its rights in any of the Charged Property referred to in clause 3.2 and the entry into of this deed by the Borrower

does not and will not constitute a breach of any policy, agreement, document, instrument or obligation binding on the Borrower or its assets.

6.10 ENVIRONMENTAL COMPLIANCE

The Borrower has, at all times, complied in all respects with all applicable Environmental Law and Environmental Licences.

6.11 INFORMATION FOR VALUATIONS AND CERTIFICATES OF TITLE

6.11.1 All written information supplied by the Borrower or on its behalf for the purpose of each Valuation and Report on Title was true and accurate in all material respects at its date or at the date (if any) on which it was stated to be given.

6.11.2 The information referred to in clause 6.11.1 was, at its date or at the date (if any) on which it was stated to be given, complete and the Borrower did not omit to supply any information that, if disclosed, would adversely affect the Valuation or Report on Title.

6.11.3 In the case of the first Valuation and Report on Title only, nothing has occurred since the date the information referred to in clause 6.11.1 was supplied and the date of this deed which would adversely affect such Valuation or Report on Title.

6.12 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 Borrower or otherwise.

6.13 ENFORCEABLE SECURITY

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

7. COVENANTS

The Borrower covenants with the Security Trustee in the terms set out in Schedule 3.

8. POWERS OF THE SECURITY TRUSTEE

8.1 POWER TO REMEDY

- 8.1.1 The Security Trustee shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Borrower of any of its obligations contained in this deed.
- 8.1.2 The Borrower irrevocably authorises the Security Trustee and its agents to do all things that are necessary or desirable for that purpose.
- 8.1.3 Any monies expended by the Security Trustee in remedying a breach by the Borrower of its obligations contained in this deed shall be reimbursed by the Borrower to the Security Trustee on a full indemnity basis and shall carry interest in accordance with clause 15.1.
- 8.1.4 In remedying any breach in accordance with this clause 8.1, the Security Trustee, its agents and their respective officers, agents and employees shall be entitled to enter onto the Property and to take any action as the Security Trustee may reasonably consider necessary or desirable including, without limitation, carrying out any repairs, other works or development.

8.2 EXERCISE OF RIGHTS

The rights of the Security Trustee under clause 8.1 are without prejudice to any other rights of the Security Trustee under this deed. The exercise of any rights of the Security Trustee under this deed shall not make the Security Trustee liable to account as a mortgagee in possession.

8.3 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 Security Trustee in relation to any of the Charged Property whether or not it has taken possession of any Charged Property and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

8.4 CONVERSION OF CURRENCY

- 8.4.1 For the purpose of, or pending, the discharge of any of the Secured Liabilities, the Security Trustee may convert any monies received, recovered or realised by it under this deed (including the proceeds of

any previous conversion under this clause 8.4) from their existing currencies of denomination into any other currencies of denomination that the Security Trustee may think fit.

8.4.2 Any such conversion shall be effected at Barclays Bank Plc's then prevailing spot selling rate of exchange for such other currency against the existing currency.

8.4.3 Each reference in this clause 8.4 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.

8.5 INDULGENCE

The Security Trustee 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 person is jointly liable with the Borrower) 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 Borrower for the Secured Liabilities.

9. WHEN SECURITY BECOMES ENFORCEABLE

9.1 SECURITY BECOMES ENFORCEABLE ON EVENT OF DEFAULT

The security constituted by this deed shall be immediately enforceable if an Event of Default occurs.

9.2 DISCRETION

After the security constituted by this deed has become enforceable, the Security Trustee 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 Charged Property.

10. ENFORCEMENT OF SECURITY

10.1 ENFORCEMENT POWERS

10.1.1 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 Security Trustee and a purchaser from the Security Trustee, arise on and be exercisable at any time after the execution of this deed, but the Security Trustee shall not exercise such power of sale or other powers until the

security constituted by this deed has become enforceable under clause 9.1.

10.1.2 Section 103 of the LPA 1925 does not apply to the security constituted by this deed.

10.2 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 Security Trustee 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 Borrower, to:

- 10.2.1 grant a lease or agreement for lease;
- 10.2.2 accept surrenders of leases; or
- 10.2.3 grant any option of the whole or any part of the Property with whatever rights relating to other parts of it,

whether or not at a premium and containing such covenants on the part of the Borrower and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Security Trustee or Receiver thinks fit, without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

10.3 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 Security Trustee may:

- 10.3.1 redeem that or any other prior Security;
- 10.3.2 procure the transfer of that Security to itself; and
- 10.3.3 settle any account of the holder of any prior Security.

The settlement of any such account shall be, in the absence of any manifest error, conclusive and binding on the Borrower. All monies paid by the Security Trustee to an encumbrancer in settlement of such an account shall be, as from its payment by the Security Trustee, due from the Borrower to the Security Trustee on current account and shall bear interest at the Default Interest Rate and be secured as part of the Secured Liabilities.

10.4 PROTECTION OF THIRD PARTIES

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

- 10.4.1 whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;
- 10.4.2 whether any power the Security Trustee, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable; or
- 10.4.3 how any money paid to the Security Trustee, any Receiver or any Delegate is to be applied.

10.5 PRIVILEGES

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

10.6 NO LIABILITY AS MORTGAGEE IN POSSESSION

Neither the Security Trustee, any Receiver nor any Delegate shall be liable to account as mortgagee in possession in respect of all or any of the Charged Property, 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 Charged Property for which a mortgagee in possession might be liable as such.

10.7 RELINQUISHING POSSESSION

If the Security Trustee, any Receiver or Delegate enters into or takes possession of the Charged Property, it or he may at any time relinquish possession.

10.8 CONCLUSIVE DISCHARGE TO PURCHASERS

The receipt of the Security Trustee 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 Charged Property or in making any acquisition in the exercise of their respective powers, the Security Trustee, every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he thinks fit.

11. RECEIVERS

11.1 APPOINTMENT

At any time after the security constituted by this deed has become enforceable, or at the request of the Borrower, the Security Trustee may, without further notice, appoint by way of deed, or otherwise in writing, any one or more person or persons to be a Receiver of all or any part of the Charged Property.

11.2 REMOVAL

The Security Trustee 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.

11.3 REMUNERATION

The Security Trustee 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 Security Trustee.

11.4 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 Security Trustee 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.

11.5 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 Security Trustee despite any prior appointment in respect of all or any part of the Charged Property.

11.6 AGENT OF THE BORROWER

Any Receiver appointed by the Security Trustee under this deed shall be the agent of the Borrower and the Borrower 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 Borrower goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Security Trustee.

12. POWERS OF RECEIVER

12.1 POWERS ADDITIONAL TO STATUTORY POWERS

12.1.1 Any Receiver appointed by the Security Trustee under this deed shall, in addition to the powers conferred on him by statute, have the powers set out in clause 12.2 to clause 12.20.

12.1.2 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.

12.1.3 Any exercise by a Receiver of any of the powers given by clause 12 may be on behalf of the Borrower, the directors of the Borrower or himself.

12.2 REPAIR AND DEVELOP THE PROPERTY

A Receiver may undertake or complete any works of repair, alteration, building or development on the Property 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.

12.3 GRANT OR ACCEPT SURRENDERS OF LEASES

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

12.4 EMPLOY PERSONNEL AND ADVISERS

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

12.5 MAKE AND REVOKE VAT OPTIONS TO TAX

A Receiver may exercise or revoke any VAT option to tax as he thinks fit.

12.6 CHARGE FOR 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 Security Trustee may prescribe or agree with him.

12.7 REALISE CHARGED PROPERTY

A Receiver may collect and get in the Charged Property or any part of it 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 Charged Property with like rights.

12.8 MANAGE OR RECONSTRUCT THE BORROWER'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 Borrower carried out at the Property.

12.9 DISPOSE OF CHARGED PROPERTY

A Receiver may grant options and licences over all or any part of the Charged Property, sell, assign, lease and accept surrenders of leases of (or concur in selling, assigning, leasing or accepting surrenders of leases of) all or any of the Charged Property in respect of which he is appointed for such consideration and in such manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions that he thinks fit. A Receiver may promote, or concur in promoting, a company to purchase the Charged Property to be disposed of by him.

12.10 SEVER FIXTURES AND FITTINGS

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

12.11 GIVE VALID RECEIPTS

A Receiver may give valid receipts for all monies and execute all assurances and things that may be proper or desirable for realising any of the Charged Property.

12.12 MAKE SETTLEMENTS

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

12.13 BRING PROCEEDINGS

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

12.14 INSURE

A Receiver may, if he thinks fit, but without prejudice to the indemnity in clause 15.2, 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 Borrower under this deed.

12.15 POWERS UNDER 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.

12.16 BORROW

A Receiver may, for any of the purposes authorised by this clause 12, raise money by borrowing from the Security Trustee (or from any other person) either unsecured or on the security of all or any of the Charged Property in respect of which he is appointed on any terms that he thinks fit (including, if the Security Trustee consents, terms under which that security ranks in priority to this deed).

12.17 REDEEM PRIOR SECURITY

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

12.18 DELEGATION

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

12.19 ABSOLUTE BENEFICIAL OWNER

A Receiver may, in relation to any of the Charged Property, 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 Charged Property or any part of the Charged Property.

12.20 INCIDENTAL POWERS

A Receiver may do any other acts and things:

12.20.1 that he may consider desirable or necessary for realising any of the Charged Property;

12.20.2 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

12.20.3 that he lawfully may or can do as agent for the Borrower.

13. DELEGATION

13.1 DELEGATION

The Security Trustee 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 17.1).

13.2 TERMS

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

13.3 LIABILITY

Neither the Security Trustee nor any Receiver shall be in any way liable or responsible to the Borrower for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

14. APPLICATION OF PROCEEDS

14.1 ORDER OF APPLICATION OF PROCEEDS

All monies received by the Security Trustee, a Receiver or a Delegate under this deed after the security constituted by this deed has become enforceable (other than sums received under any Insurance Policy), 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:

14.1.1 in or towards payment of or provision for all costs, charges and expenses incurred by or on behalf of the Security Trustee (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;

14.1.2 in or towards payment of or provision for the Secured Liabilities in any order and manner that the Security Trustee determines; and

14.1.3 in payment of the surplus (if any) to the Borrower or other person entitled to it.

14.2 APPROPRIATION

Neither the Security Trustee, 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.

15. COSTS AND INDEMNITY

15.1 COSTS

The Borrower shall, promptly on demand, pay to, or reimburse, the Security Trustee 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 Security Trustee, any Receiver or any Delegate in connection with:

15.1.1 this deed or the Charged Property;

15.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Security Trustee's, a Receiver's or a Delegate's rights under this deed; or

15.1.3 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 Borrower) at the Default Interest Rate.

15.2 INDEMNITY

The Borrower shall indemnify the Security Trustee, 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:

- 15.2.1 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 Charged Property;
- 15.2.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this deed; or
- 15.2.3 any default or delay by the Borrower in performing any of its obligations under this deed.

Any past or present employee or agent may enforce the terms of this clause 15.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

16. FURTHER ASSURANCE

- 16.1 The Borrower shall, at its own expense, take whatever action the Security Trustee or any Receiver may reasonably require for:
 - 16.1.1 creating, perfecting or protecting the security intended to be created by this deed;
 - 16.1.2 facilitating the realisation of any of the Charged Property; or
 - 16.1.3 facilitating the exercise of any right, power, authority or discretion exercisable by the Security Trustee or any Receiver in respect of any of the Charged Property,
- 16.2 including, without limitation (if the Security Trustee 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 Charged Property (whether to the Security Trustee or to its nominee) and the giving of any notice, order or direction and the making of any registration.

17. POWER OF ATTORNEY

17.1 APPOINTMENT OF ATTORNEYS

By way of security, the Borrower irrevocably appoints the Security Trustee, every Receiver and every Delegate separately to be the attorney of the Borrower and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things that:

- 17.1.1 the Borrower is required to execute and do under this deed; or
- 17.1.2 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 Security Trustee, any Receiver or any Delegate.

17.2 RATIFICATION OF ACTS OF ATTORNEYS

The Borrower 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 17.1.

18. RELEASE

18.1 Subject to clause 24.3, on the expiry of the Security Period (but not otherwise), the Security Trustee shall, at the request and cost of the Borrower, take whatever action is necessary to:

- 18.1.1 release the Charged Property from the security constituted by this deed; and
- 18.1.2 reassign the Charged Property to the Borrower.

19. ASSIGNMENT AND TRANSFER

19.1 ASSIGNMENT BY THE SECURITY TRUSTEE

- 19.1.1 At any time, without the consent of the Borrower, the Security Trustee may assign or transfer any or all of its rights and obligations under this deed.
- 19.1.2 The Security Trustee may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Borrower, the Charged Property and this deed that the Security Trustee considers appropriate.

19.2 ASSIGNMENT BY BORROWER

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

20. AMENDMENTS, WAIVERS AND CONSENTS

20.1 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).

20.2 WAIVERS AND CONSENTS

20.2.1 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 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.

20.2.2 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 Security Trustee shall be effective unless it is in writing.

20.3 RIGHTS AND REMEDIES

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.

21. SEVERANCE

21.1 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.

22. COUNTERPARTS

- 22.1 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.

23. THIRD PARTY RIGHTS

- 23.1 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.
- 23.2 The rights of the parties to rescind or agree any amendment or waiver under this deed are not subject to the consent of any other person.

24. FURTHER PROVISIONS

24.1 INDEPENDENT SECURITY

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

24.2 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 Security Trustee discharges this deed in writing.

24.3 DISCHARGE CONDITIONAL

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

- 24.3.1 the Security Trustee or its nominee may retain this deed and the security created by or under it, including all certificates and documents relating

to the whole or any part of the Charged Property, for any period that the Security Trustee deems necessary to provide the Security Trustee with security against any such avoidance, reduction or order for refund; and

- 24.3.2 the Security Trustee may recover the value or amount of such security or payment from the Borrower subsequently as if the release, discharge or settlement had not occurred.

24.4 CERTIFICATES

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

24.5 CONSOLIDATION

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

25. NOTICES

25.1 DELIVERY

Any notice or other communication given to a party under or in connection with this deed shall be:

- 25.1.1 in writing;
- 25.1.2 delivered by hand, by pre-paid first-class post or other next working day delivery service or sent by fax; and
- 25.1.3 sent to:
 - (a) the Borrower at:

26 Lovelace Avenue, Solihull, United Kingdom, B91 3JR

Attention: Robert Sheils
 - (b) the Security Trustee at:

Capitalstackers Trustees Limited, Riverside House, Kings Reach Business Park, Yew Street, Stockport, Cheshire, SK4 2HD

Attention: Steve Robson

with a copy by email to: matthew.catterall@taylors.co.uk

or to any other address or fax number as is notified in writing by one party to the other from time to time.

25.2 RECEIPT BY BORROWER

Any notice or other communication that the Security Trustee gives to the Borrower shall be deemed to have been received:

- 25.2.1 if delivered by hand, at the time it is left at the relevant address;
- 25.2.2 if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting; and
- 25.2.3 if sent by fax, when received in legible form.

A notice or other communication given as described in clause 25.2.1 or clause 25.2.3 on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

25.3 RECEIPT BY THE SECURITY TRUSTEE

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

25.4 SERVICE OF PROCEEDINGS

This clause 25 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

26. GOVERNING LAW AND JURISDICTION

26.1 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.

26.2 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 Security Trustee to take proceedings against the Borrower 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.

26.3 OTHER SERVICE

The Borrower irrevocably consents to any process in any legal action or proceedings under clause 26.2 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.

IN WITNESS WHEREOF this document has been executed and delivered as a deed on the date first stated above.

SCHEDULE 1
PERMITTED SECURITY

The legal charged dated 5 July 2021 in favour of Loch Coull Limited

SCHEDULE 2
PROPERTY

All that freehold interest in the land and property known as 44 Lovelace Avenue Solihul,
being the whole of the registered title under title number: WM73625

SCHEDULE 3 COVENANTS

PART 1 - GENERAL COVENANTS

1. NEGATIVE PLEDGE AND DISPOSAL RESTRICTIONS

- 1.1 The Borrower shall not at any time, except with the prior written consent of the Security Trustee:
- 1.1.1 create, purport to create or permit to subsist any Security on, or in relation to, any Charged Property other than any Security created by this deed or any Permitted Security;
 - 1.1.2 sell, assign, transfer, part with possession of or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, the Charged Property; or
 - 1.1.3 create or grant (or purport to create or grant) any interest in the Charged Property in favour of a third party.

2. PRESERVATION OF CHARGED PROPERTY

- 2.1 The Borrower 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 Security Trustee or materially diminish the value of any of the Charged Property or the effectiveness of the security created by this deed.

3. COMPLIANCE WITH LAWS AND REGULATIONS

- 3.1 The Borrower shall not, without the Security Trustee's prior written consent, use or permit the Charged Property to be used in any way contrary to law.
- 3.2 The Borrower shall:
- 3.2.1 comply with the requirements of any law and regulation relating to or affecting the Charged Property or the use of it or any part of it;
 - 3.2.2 obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Charged Property or its use or that are necessary to preserve, maintain or renew any Charged Property; and
 - 3.2.3 promptly effect any maintenance, modifications, alterations or repairs to be effected on or in connection with the Charged Property that are required to be made by it under any law or regulation.

4. ENFORCEMENT OF RIGHTS

4.1 The Borrower shall use its best endeavours to:

4.1.1 procure the prompt observance and performance by the relevant counterparty to any agreement or arrangement with the Borrower and forming part of the Charged Property, of the covenants and other obligations imposed on such counterparty; and

4.1.2 enforce any rights and institute, continue or defend any proceedings relating to any of the Charged Property that the Security Trustee may require from time to time.

5. NOTICE OF MISREPRESENTATIONS AND BREACHES

5.1 The Borrower shall, promptly on becoming aware of any of the same, give the Security Trustee notice in writing of:

5.1.1 any representation or warranty set out in clause 6 which is incorrect or misleading in any material respect when made or deemed to be repeated; and

5.1.2 any breach of covenant set out in this deed.

6. TITLE DOCUMENTS

6.1 The Security Trustee shall, on the execution of this deed, for the duration of this deed, be entitled to hold:

6.1.1 all deeds and documents of title relating to the Charged Property that are in the possession or control of the Borrower (if these are not within the possession and/or control of the Borrower, the Borrower undertakes to obtain possession of all such deeds and documents of title); and

6.1.2 each Insurance Policy.

7. NOTICES TO BE GIVEN BY THE BORROWER

7.1 The Borrower shall within five days of the execution of this deed give notice to the relevant insurers of the assignment of the Borrower's rights and interest in and under each Insurance Policy (including the proceeds of any claims under that Insurance Policy) under clause 3 and procure that each addressee of such notice promptly provides an acknowledgement of that notice to the Security Trustee. The Borrower shall obtain the Security Trustee's prior approval of the form of any notice or acknowledgement to be used under this paragraph 7.

- 7.2 The Borrower shall, as so requested by the Security Trustee from time to time give notice of the assignment contained in clause 3.2.3, to each counterparty to a Relevant Agreement in a form satisfactory to the Security Trustee and procure that each counterparty provides to the Security Trustee promptly an acknowledgement of such notice in a form satisfactory to the Security Trustee.

8. BORROWER'S WAIVER OF SET-OFF

- 8.1 The Borrower waives any present or future right of set-off it may have in respect of the Secured Liabilities (including sums payable by the Borrower under this deed).

9. RELEVANT AGREEMENTS COVENANTS

- 9.1 The Borrower shall, unless the Security Trustee agrees otherwise in writing, comply with the terms of each Relevant Agreement and any other document, agreement or arrangement comprising the Charged Property.
- 9.2 The Borrower shall not, unless the Security Trustee agrees otherwise in writing:
- 9.2.1 amend or vary or agree to any change in, or waive any requirement of or its rights under;
 - 9.2.2 settle, compromise, terminate, rescind or discharge (except by performance); or
 - 9.2.3 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 or any other document, agreement or arrangement comprising the Charged Property.

PART 2 - PROPERTY COVENANTS

1. REPAIR AND MAINTENANCE

- 1.1 The Borrower shall keep all premises, and fixtures and fittings on the Property in:
- 1.1.1 good and substantial repair and condition and shall keep all premises adequately and properly painted and decorated and replace any fixtures and fittings which have become worn out or otherwise unfit for use by others of a like nature and equal value; and
 - 1.1.2 such repair and condition as to enable the Property to be let in accordance with all applicable laws and regulations.

- 1.2 For the purpose of paragraph 1.1.2 of this Part 2 of Schedule 3, a law or regulation is applicable if it is either in force or it is expected to come into force and a prudent property owner in the same business as the Borrower would ensure that the premises, and fixtures and fittings on the Property were in such repair and condition in anticipation of that law or regulation coming into force.

2. INSURANCE

- 2.1 The Borrower shall insure and keep insured the Charged Property (or procure that it is kept insured) against:

- 2.1.1 loss or damage by fire or terrorist acts;
- 2.1.2 other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Borrower; and
- 2.1.3 any other risk, perils and contingencies as the Security Trustee may reasonably require.

Any such insurance must be with an insurance company or underwriters and on such terms as are reasonably acceptable to the Security Trustee and must be for not less than the replacement value of the Charged Property (meaning in the case of any premises on the Property, the total cost of entirely rebuilding, reinstating or replacing the premises in the event of their being destroyed, together with architects', surveyors', engineers' and other professional fees and charges for demolition and reinstatement) and loss of rents payable by the tenants or other occupiers of the Property for a period of at least three years.

- 2.2 The Borrower shall, if requested by the Security Trustee, produce to the Security Trustee the policy, certificate or cover note relating to any such insurance required by paragraph 2.1 of this Part 2 of Schedule 3.
- 2.3 The Borrower shall, if requested by the Security Trustee, procure that a note of the Security Trustee's interest is endorsed upon each Insurance Policy maintained by it or any person on its behalf in accordance with paragraph 2.1 of this Part 2 of Schedule 3 and that the terms of each such Insurance Policy require the insurer not to invalidate the policy as against the Security Trustee 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 Security Trustee.

3. INSURANCE PREMIUMS

3.1 The Borrower shall:

- 3.1.1 promptly pay or procure payment of all premiums in respect of each Insurance Policy and do or procure all other things necessary to keep that policy in full force and effect; and
- 3.1.2 (if the Security Trustee so requires) give to the Security Trustee copies of the receipts for all premiums and other payments necessary for effecting and keeping up each Insurance Policy.

4. NO INVALIDATION OF INSURANCE

4.1 The Borrower shall not do or omit to do, or permit to be done or omitted, any thing that may invalidate or otherwise prejudice any Insurance Policy.

5. PROCEEDS FROM INSURANCE POLICIES

5.1 All monies payable under any Insurance Policy at any time (whether or not the security constituted by this deed has become enforceable) shall:

- 5.1.1 be paid immediately into the Escrow Account;
- 5.1.2 if they are not paid into the Escrow Account, be held, pending such payment, by the Borrower as trustee of the same for the benefit of the Lending Members; and
- 5.1.3 at the option of the Security Trustee, 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.

6. LEASES AND LICENCES AFFECTING THE PROPERTY

6.1 The Borrower shall not, without the prior written consent of the Security Trustee (which consent, in the case of paragraph 6.1.4, is not to be unreasonably withheld or delayed in circumstances in which the Borrower may not unreasonably withhold or delay its consent):

- 6.1.1 grant any licence or tenancy affecting the whole or any part of the Property, or exercise the statutory powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925 (or agree to grant any such licence or tenancy, or agree to exercise the statutory

powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925);

- 6.1.2 in any other way dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of the Property (or agree to dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of the Property);
- 6.1.3 let any person into occupation of or share occupation of the whole or any part of the Property; or
- 6.1.4 grant any consent or licence under any lease or licence affecting the Property.

7. NO RESTRICTIVE OBLIGATIONS

- 7.1 The Borrower shall not, without the prior written consent of the Security Trustee, enter into any onerous or restrictive obligations affecting the whole or any part of the Property or create or permit to arise any overriding interest, easement or right whatever in or over the whole or any part of the Property.

8. PROPRIETARY RIGHTS

- 8.1 The Borrower 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 the Property, without the prior written consent of the Security Trustee.

9. COMPLIANCE WITH AND ENFORCEMENT OF COVENANTS

- 9.1 The Borrower shall:
 - 9.1.1 observe and perform all covenants, stipulations and conditions to which the Property, or the use of it, is or may be subject and (if the Security Trustee so requires) produce to the Security Trustee evidence sufficient to satisfy the Security Trustee that those covenants, stipulations and conditions have been observed and performed; and
 - 9.1.2 diligently enforce all covenants, stipulations and conditions benefiting the Property and shall not (and shall not agree to) waive, release or vary any of the same.

10. NOTICES OR CLAIMS RELATING TO THE PROPERTY

- 10.1 The Borrower shall:

- 10.1.1 give full particulars to the Security Trustee of any notice, order, direction, designation, resolution, application, requirement or proposal given or made by any public or local body or authority (a **Notice**) that specifically applies to the Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Notice; and
 - 10.1.2 (if the Security Trustee so requires) immediately, and at the cost of the Borrower, take all reasonable and necessary steps to comply with any Notice, and make, or join with the Security Trustee in making, such objections or representations in respect of any such Notice as the Security Trustee thinks fit.
- 10.2 The Borrower shall give full particulars to the Security Trustee of any claim, notice or other communication served on it in respect of any modification, suspension or revocation of any Environmental Licence or any alleged breach of any Environmental Law, in each case relating to the Property.

11. PAYMENT OF OUTGOINGS

- 11.1 The Borrower shall:
 - 11.1.1 pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments and other outgoings relating to or imposed upon the Property or on its occupier.

12. RENT REVIEWS

- 12.1 The Borrower:
 - 12.1.1 shall, if the Property is subject to occupational leases or licences, implement any upwards rent review provisions and shall not, without the prior written consent of the Security Trustee, agree to any change in rent to less than the open market rental value of the relevant part of the Property.

13. ENVIRONMENT

- 13.1 The Borrower shall in respect of the Property:
 - 13.1.1 comply with all the requirements of Environmental Law; and
 - 13.1.2 obtain and comply with all Environmental Licences.

14. CONDUCT OF BUSINESS ON PROPERTY

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

15. INSPECTION

- 15.1 The Borrower shall permit the Security Trustee and any Receiver and any person appointed by either of them to enter on and inspect the Property on reasonable prior notice.

16. VAT OPTION TO TAX

- 16.1 The Borrower shall not, without the prior written consent of the Security Trustee:
- 16.1.1 exercise any VAT option to tax in relation to the Property; or
 - 16.1.2 revoke any VAT option to tax exercised, and disclosed to the Security Trustee in writing, before the date of this deed.

17. RENTAL INCOME COVENANTS

- 17.1 The Borrower shall, promptly following the occurrence of an Event of Default, give notice to the relevant tenant, guarantor or surety of the assignment under clause 3.2.2 of the Borrower's rights and interest to the Rental Income and each guarantee or security in respect of the Rental Income and procure that each addressee of such notice promptly provides an acknowledgement of that notice to the Security Trustee.

EXECUTION PAGE

EXECUTED AS A DEED by
KERACO CONSTRUCTION LIMITED
acting by RONALD SHEILS
a director, in the presence of:

)
)
) DocuSigned by:
Ronald Shiels
3231EA31F4704AE...
)

Independent Signature

DocuSigned by:
will marshal-murray
0016EB06C1F84E0...

I confirm that I was physically present
when **RONALD SHEILS** signed this deed.

Witness Name

Address

Occupation

will marshal-murray

320 Peterbrook Rd Solihull B90 1JQ

Director

EXECUTED AS A DEED by)

CAPITALSTACKERS TRUSTEES LIMITED)

acting by two Directors)

)

Philip Eagle ,Director

DocuSigned by:
Philip Eagle
8A977B0CC99A4ED...

valerie wain ,Director

DocuSigned by:
Valerie Wain
0D163739EED6497...

