



Registration of a Charge

Company Name: **BENMORE DEVELOPMENTS (N.I.) LIMITED**

Company Number: **NI028681**



Received for filing in Electronic Format on the: **01/03/2024**

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Details of Charge

Date of creation: **26/02/2024**

Charge code: **NI02 8681 0051**

Persons entitled: **APEX CORPORATE TRUSTEES (UK) LIMITED (AS SECURITY AGENT)**

Brief description:

Contains fixed charge(s).

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: **PINSENT MASONS**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: NI28681

Charge code: NI02 8681 0051

The Registrar of Companies for Northern Ireland hereby certifies that a charge dated 26th February 2024 and created by BENMORE DEVELOPMENTS (N.I.) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 1st March 2024 .

Given at Companies House, Belfast on 3rd March 2024

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 26 February 2024

**(1) THE PARTIES LISTED IN SCHEDULE 1
(as Chargors)**

**(2) APEX CORPORATE TRUSTEES (UK) LIMITED
(as Security Agent)**

**SUBORDINATED CREDITORS' SECURITY
AGREEMENT**



Pinsent Masons

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THIS DEED is made on

26 February

2024

BETWEEN:-

- (1) THE PARTIES LISTED IN SCHEDULE 1 HEREIN (the "Chargors" and each a "Chargor"); and
- (2) APEX CORPORATE TRUSTEES (UK) LIMITED as security agent and trustee for itself and each of the Secured Parties (the "Security Agent").

INTRODUCTION

- (A) The Lenders have agreed to make credit facilities available to the Borrowers (as defined below) on the terms and conditions set out in the Facilities Agreement (as defined below), as amended by the Amendment and Restatement Agreement.
- (B) Each Chargor acknowledges that its entry into this Deed is a condition of the Finance Parties entering into the Amendment and Restatement Agreement and has agreed to enter into this Deed to provide Security over the Secured Assets (each as defined below) to the Security Agent to hold on trust for itself and the other Secured Parties (as defined below).

IT IS AGREED as follows:-

1. INTERPRETATION

1.1 Definitions

In this Deed:-

"1881 Act"	means the Conveyancing and Law of Property Act 1881
"1911 Act"	means the Conveyancing Act 1911
"Amendment and Restatement Agreement"	means the amendment and restatement agreement of the Facilities Agreement dated on or around the date of this Deed between (1) KH (Balmoral) Developments Limited and KH (Balmoral) Ltd (as Borrowers), (2) CBRE Indirect Investment Services Limited (as Arranger), (3) GFS Corporate Director II Limited (as Original Lender), (4) BCMGlobal (UK) Limited (as Agent) and (5) the Security Agent
"Conveyancing Acts 1881 to 1911"	means together:- <ol style="list-style-type: none">(a) the 1881 Act(b) the Conveyancing Act 1882(c) the Conveyancing Act 1892 and(d) the 1911 Act
"Default Rate"	means the rate specified in Clause 8.4 (<i>Default interest</i>) of the Facilities Agreement
"Facilities Agreement"	means the facilities agreement originally dated 10 December 2019 and made between, (1) KH (Balmoral) Developments Limited and KH (Balmoral) Ltd (as Borrowers), (2) CBRE Indirect Investment Services Limited (as Arranger), (3) GFS Corporate Director II Limited (as Original Lender), (4) BCMGlobal (UK) Limited (as Agent) and (5) the Security Agent as amended and restated by the

Amendment and Restatement Agreement and as amended, varied, supplemented, extended or replaced from time to time

"Party"	means a party to this Deed
"Receiver"	means any receiver, receiver and manager or, to the extent permitted by law, an administrative receiver (whether appointed pursuant to this Deed or any statute, by a court or otherwise) of the whole or any part of the Secured Assets
"Regulations"	means the Financial Collateral Arrangements (No2) Regulations 2003 (S.I. 2003/3226) or equivalent legislation in any applicable jurisdiction bringing into effect Directive 2002/47/EC on financial collateral arrangements
"Related Rights"	<p>means:-</p> <ul style="list-style-type: none">(a) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of the Secured Assets and(b) any moneys and proceeds or income paid or payable in respect of the Secured Assets
"Relevant Jurisdiction"	<p>means:-</p> <ul style="list-style-type: none">(a) each Chargor's jurisdiction of incorporation(b) any jurisdiction where any asset subject to or intended to be subject to the Security created by a Chargor pursuant to this Deed is situated and(c) the jurisdiction whose laws govern the perfection of this Deed
"Secured Assets"	means all the assets and undertaking of the Chargors which from time to time are, or purport to be, the subject of the Security created in favour of the Security Agent by or pursuant to this Deed
"Secured Liability"	means all present and future obligations or liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Transaction Obligor to any Secured Party under each Finance Document (together the "Secured Liabilities")
"Security"	means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect
"Security Period"	<p>means the period beginning on the date of this Deed and ending on the date which the Security Agent is satisfied:-</p> <ul style="list-style-type: none">(a) all of the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and(b) no Secured Party has any further commitment, obligation or liability under or pursuant to the Finance Documents

"Subordinated Debt" means all present and future obligations or liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Borrower to a Chargor pursuant to a Subordinated Document or otherwise

"Subordinated Documents" means any agreement evidencing or recording the terms of the Subordinated Debt

1.2 Incorporation of terms

Unless the context otherwise requires or unless defined in this Deed, all words and expressions defined or whose interpretation is provided for in the Facilities Agreement shall have the same meanings in this Deed.

1.3 Interpretation

1.3.1 The principles of interpretation set out in Clauses 1.2 (*Construction*) and 1.3 (*Currency, symbols and definitions*) of the Facilities Agreement shall apply to this Deed insofar as they are relevant to it.

1.3.2 Unless the context otherwise requires, a reference to a "Finance Document" or any other agreement, deed or instrument is a reference to that Finance Document or other agreement, deed or instrument as amended, novated, supplemented, restated or replaced (however fundamentally) and includes any increase in, extension of, or change to, any facility made available under that Finance Document or other agreement, deed or instrument.

1.4 Acknowledgement

1.4.1 Each Chargor acknowledges that the Security Agent enters into this Deed for itself and as trustee for the Secured Parties who shall be entitled to the full benefit of this Deed.

1.4.2 The Security Agent executed this Deed as Security Agent in the exercise of the right, powers and authority conferred and vested in it under the Facilities Agreement and any other Finance Documents for and on behalf of the Secured Parties for whom it acts. It will exercise its powers, rights, duties and authority under this Deed in the manner provided for in the Facilities Agreement and, in so acting, the Security Agent shall have the protections, immunities, rights, powers, authorisations, indemnities and benefits conferred on it under and by the Facilities Agreement and the Finance Documents.

1.4.3 In acting under and in accordance with this Deed, the Security Agent is entitled to seek instructions from the Secured Parties in accordance with the Facilities Agreement and at any time and where it acts or refrains from acting in accordance with the instructions of the Secured Parties entitled to give the Security Agent instructions, the Security Agent shall not incur any liability to any person for so acting or refraining from acting.

1.5 Effect as a deed

This Deed shall take effect as a deed even if it is signed under hand on behalf of the Security Agent.

1.6 Third party rights

1.6.1 Each Secured Party, any Receiver and their respective officers, employees and agents may enforce any term of this Deed which purports to confer a benefit on that person, but no other person who is not a Party has any right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.

1.6.2 Notwithstanding any term of any Finance Document, the Parties and any Receiver may rescind, vary, waive, release, assign, novate or otherwise dispose of all or any of their

respective rights or obligations under this Deed without the consent of any person who is not a Party.

2. COVENANT TO PAY

2.1 Secured Liabilities

Each Chargor covenants that it will on demand pay and discharge the Secured Liabilities when due.

2.2 Interest

Each Chargor covenants to pay interest at the Default Rate to the Security Agent on any sum not paid in accordance with Clause 2.1 (*Secured Liabilities*) until payment (both before and after judgment).

3. SECURITY

3.1 Assignment

Each Chargor assigns absolutely, subject to a proviso for reassignment on the irrevocable discharge in full of the Secured Liabilities, all its right, title and interest from time to time in:-

3.1.1 the Subordinated Debt;

3.1.2 the Subordinated Documents; and

3.1.3 all Related Rights under or in connection with the Subordinated Debt and the Subordinated Documents.

3.2 Charge

To the extent not effectively assigned under Clause 3.1 (*Assignment*), each Chargor charges by way of first fixed charge:-

3.2.1 the Subordinated Debt;

3.2.2 the Subordinated Documents; and

3.2.3 all Related Rights under or in connection with the Subordinated Debt and the Subordinated Documents.

3.3 Trust

If or to the extent that for any reason the assignment or charging of any Secured Asset is prohibited, each Chargor shall:-

3.3.1 hold it on trust for the Security Agent as security for the payment and discharge of the Secured Liabilities; and

3.3.2 take such steps as the Security Agent may require to remove the impediment to assignment or charging.

3.4 Nature of Security created

The Security created under this Deed is created:-

3.4.1 as a continuing security to secure the payment and discharge of the Secured Liabilities and shall not be released or discharged by any intermediate payment or settlement of all or any of the Secured Liabilities;

3.4.2 in favour of the Security Agent as trustee for the Secured Parties; and

3.4.3 as beneficial owner in accordance with the 1881 Act.

4. PERFECTION OF SECURITY

4.1 Each Chargor must deliver notices of assignment in relation to the Secured Assets on the date of this Deed in the form set out in Schedule 2 (*Form of notice of assignment*).

4.2 Each Chargor must:-

4.2.1 use all reasonable endeavours to procure that, on the date of this Deed, each notice of assignment is acknowledged by the Borrowers; and

4.2.2 deliver to the Security Agent a copy of each acknowledgment of a notice of assignment within three Business Days of receipt from the Borrowers.

5. REPRESENTATIONS

Each Chargor makes the representations and warranties set out in this Clause 5 to the Security Agent on the date of this Deed and on each other day during the Security Period with reference to the facts and circumstances then existing on the date of repetition.

5.1 Status

5.1.1 It is a limited liability corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.

5.1.2 It has the power to own its own assets and carry on its business as it is being conducted.

5.2 Binding obligations

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

5.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, this Deed and the granting of Security pursuant to this Deed do not and will not conflict with:-

5.3.1 any law or regulation applicable to it;

5.3.2 its constitutional documents; or

5.3.3 any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument.

5.4 Power and authority

5.4.1 It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Deed and the transactions contemplated by this Deed.

5.4.2 No limit on its powers will be exceeded as a result of the grant of Security or giving of any guarantee or indemnity contemplated by this Deed.

5.5 Validity and admissibility in evidence

All Authorisations required or desirable:-

5.5.1 to enable it lawfully to enter into, exercise its rights and comply with its obligations in this Deed; and

5.5.2 to make this Deed admissible in evidence in the Relevant Jurisdictions,

have been obtained or effected and are in full force and effect.

5.6 Governing law and enforcement

5.6.1 The choice of the laws of Northern Ireland to govern this Deed will be recognised and enforced in the Relevant Jurisdictions.

5.6.2 Any judgment obtained in relation to this Deed in Northern Ireland will be recognised and enforced in the Relevant Jurisdictions.

5.7 No filing or stamp taxes

Under the laws of each Relevant Jurisdiction it is not necessary that this Deed be registered, filed, recorded, notarised or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to this Deed or the transactions contemplated by it except registration of particulars of this Deed at Companies House under the Companies Act 2006 and payment of associated fees which registration and fees will be made and paid promptly after the date of this Deed.

5.8 Solvency

It is not unable nor has it admitted inability to pay its debts as they fall due.

5.9 Title to Secured Assets

It is the legal and beneficial owner of the Secured Assets.

5.10 Ranking of Security

The Security conferred by this Deed constitutes a first priority security interest of the type described in this Deed over the Security Assets.

6. GENERAL UNDERTAKINGS

The undertakings in this Clause remain in force at all times during the Security Period.

6.1 Further assurance

Each Chargor undertakes that it shall, from time to time and at its own expense, promptly do whatever the Security Agent requires to:-

6.1.1 give effect to the requirements of this Deed;

6.1.2 perfect, preserve or protect the Security created or expressed to be created by this Deed, or its priority; or

6.1.3 once the Security created by this Deed has become enforceable, facilitate the realisation of the Secured Assets or the exercise of any rights vested in the Security Agent or any Receiver by this Deed or by law,

including executing any charge, assignment or assurance of or in respect of the Secured Assets (whether to the Security Agent or its nominees or otherwise), making any registration and giving any notice, order or direction. The obligations of the Chargors under this Clause 6.1 are in addition to the covenants for further assurance deemed to be included by virtue of the Conveyancing Acts 1881 to 1911.

6.2 Negative pledge

Each Chargor undertakes that it shall not create or permit to subsist any Security over any Secured Assets.

6.3 Disposals

Each Chargor undertakes that it shall not enter into or agree to enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, transfer or otherwise dispose of any Secured Assets.

6.4 Payments without deduction

Each Chargor undertakes that all payments to be made by it under this Deed shall be calculated and made without (and free and clear of any deduction for) set-off or counterclaim.

7. UNDERTAKINGS RELATING TO SECURED ASSETS

7.1 Each Chargor undertakes that it shall:-

7.1.1 perform all its obligations in respect of the Secured Assets in a diligent and timely manner; and

7.1.2 notify the Security Agent of any breach of or default under a Subordinated Document by a Borrower and any right that arises entitling a Borrower to terminate or rescind a Subordinated Document, promptly upon becoming aware of the same.

7.2 Each Chargor undertakes that it shall not, without the prior written consent of the Security Agent:-

7.2.1 amend, supplement, supersede or waive any material provision (or agree to do to any of the foregoing) of any Subordinated Document;

7.2.2 exercise any right to rescind, cancel, terminate or release any Borrower from any obligations (or agree to do to any of the foregoing) in respect of any Secured Assets; or

7.2.3 assign, transfer, charge or otherwise deal with or dispose of any Secured Assets or any of the Chargors' rights, title, interest and benefits in, to and in respect of any Secured Assets,

except as permitted by the terms of the Finance Documents.

8. DEMAND AND ENFORCEMENT

8.1 Enforcement

The Security created by this Deed shall become enforceable upon:-

8.1.1 the occurrence of an Event of Default which is continuing; or

8.1.2 any request being made by a Chargor to the Security Agent for the appointment of a Receiver, or for the Security Agent to exercise any other power or right available to it.

8.2 Powers on enforcement

At any time after the Security created by this Deed has become enforceable, the Security Agent may (without prejudice to any other rights and remedies and without notice to the Chargors) do all or any of the following:-

- 8.2.1 exercise the power of sale under section 19 of the 1881 Act and section 4 of the 1911 Act, together with all other powers and rights conferred on mortgagees by the Conveyancing Acts 1881 to 1911, as varied and extended by this Deed, without the restrictions contained in section 20 or 24(1) of the 1881 Act;
- 8.2.2 to the extent that any Secured Asset constitutes "Financial Collateral" and this Deed constitutes a "security financial collateral arrangement" each as defined in the Regulations, appropriate all or any part of the Secured Assets in or towards satisfaction of the Secured Liability (including transferring the title in and to it to the Security Agent insofar as not already transferred, subject to paragraphs (1) and (2) of Regulation 18), the value of the property so appropriated being the amount standing to the credit of the relevant Account (where the property is the benefit of an Account) or, in any other case, such amount as the Security Agent shall determine in a commercially reasonable manner; and
- 8.2.3 subject to Clause 9.1 (*Method of appointment or removal*), appoint one or more persons to be a Receiver or Receivers of all or any of the Secured Assets.

8.3 Disposal of the Secured Assets

In exercising the powers referred to in Clause 8.2 (*Powers on enforcement*), the Security Agent or any Receiver may sell or dispose of all or any of the Secured Assets at the times, in the manner and order, on the terms and conditions and for the consideration determined by it.

8.4 Same rights as Receiver

Any rights conferred by this Deed upon a Receiver may be exercised by the Security Agent after the Security created by this Deed has become enforceable, whether or not the Security Agent shall have taken possession or appointed a Receiver of the Secured Assets.

8.5 Delegation

The Security Agent may delegate in any manner to any person any rights exercisable by the Security Agent under this Deed. Any such delegation may be made upon such terms and conditions (including power to sub-delegate) as the Security Agent thinks fit.

9. RECEIVERS

9.1 Method of appointment or removal

Every appointment or removal of a Receiver, any delegate or any other person by the Security Agent under this Deed shall be in writing under the hand of any officer or manager of the Security Agent (subject to any requirement for a court order in the case of the removal of an administrative receiver).

9.2 Removal

The Security Agent may (subject to the application of article 55 of the Insolvency (Northern Ireland) Order 1989) remove any person from office in relation to all or any part of the Secured Assets of which he is the Receiver and at any time (before or after any person shall have vacated office or ceased to act as Receiver in respect of any of such Secured Assets) appoint a further or other Receiver or Receivers over all or any part of such Secured Assets.

9.3 Powers

Every Receiver shall have and be entitled to exercise all the powers:-

- 9.3.1 of the Security Agent under this Deed;
- 9.3.2 conferred by the Conveyancing Acts 1881 to 1911 on mortgagees in possession and on receivers appointed under the Conveyancing Acts 1881 to 1911 (in each case as extended by this Deed);
- 9.3.3 in relation to, and to the extent applicable to, the Secured Assets or any of them, of an administrative receiver set out in schedule 1 to the Insolvency (Northern Ireland) Order 1989, whether or not the Receiver is an administrative receiver;
- 9.3.4 in relation to any Secured Assets, which he would have if he were its only beneficial owner; and
- 9.3.5 to do all things incidental or conducive to any functions, powers, authorities or discretions conferred or vested in the Receiver.

9.4 Receiver as agent

The Receiver shall be the agent of the Chargors (and the Chargors shall be solely liable for the Receiver's acts, defaults, remuneration, losses and liabilities) unless and until that Chargor goes into liquidation, from which time the Receiver shall act as principal and shall not become the agent of the Security Agent.

9.5 Joint or several

If two or more persons are appointed as Receivers of the same assets, they may act jointly and/or severally so that (unless any instrument appointing them specifies to the contrary) each of them may exercise individually all the powers and discretions conferred on Receivers by this Deed.

9.6 Receiver's remuneration

Every Receiver shall be entitled to remuneration for his services at a rate to be fixed by the Security Agent and the maximum rate specified in section 24(6) of the 1881 Act shall not apply.

10. APPLICATION OF MONEYS

10.1 Application of moneys

All sums received by virtue of this Deed by the Security Agent or any Receiver shall, subject to the payment of any claim having priority to this Deed, be paid or applied in the following order of priority:-

- 10.1.1 **first**, in or towards satisfaction pro rata of, or the provision pro rata for, all costs, charges and expenses incurred and payments made by the Security Agent as agent for the Secured Parties and/or as trustee in relation to the this Deed, or by any Receiver (including legal expenses), together with interest at the Default Rate (both before and after judgment) from the date those amounts became due until the date they are irrevocably paid in full;
- 10.1.2 **secondly**, in or towards the payment pro rata of, or the provision pro rata for, any unpaid fees, commission or remuneration of the Security Agent or any Receiver;
- 10.1.3 **thirdly**, in or towards payment of the Secured Liabilities in accordance with the Facilities Agreement;
- 10.1.4 **fourthly**, in the payment of the surplus (if any), to the Chargors or any other person entitled to it,

and section 24 (8) of the 1881 Act shall not apply to this Deed.

11. POWER OF ATTORNEY

11.1 Appointment

Each Chargor irrevocably and by way of security appoints:-

11.1.1 the Security Agent (whether or not a Receiver has been appointed);

11.1.2 any delegate or sub delegate of, or other person nominated in writing by, an officer of the Security Agent; and

11.1.3 (as a separate appointment) each Receiver,

severally as its attorney and attorneys with power to do any act, and execute and deliver any deed or other document, on behalf of and in the name of any Chargor, which it could be required to do or execute under any provision of this Deed, or which the Security Agent in its sole opinion may consider necessary or desirable for perfecting its title to any of the Secured Assets or enabling the Security Agent or the Receiver to exercise any of its rights or powers under this Deed:-

(a) where an Event of Default is continuing or

(b) where no Event of Default is continuing, but that Chargor has failed to take such steps as to execute, deliver, perfect all deeds, instruments and/or other documents or do or cause to be done all acts and things requested of it by the Security Agent within 10 Business Days of being so requested to take such action.

11.2 Each Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 11. If the Security Agent takes any action under Clause 11.1.3(b) above, it shall notify the relevant Chargor of this.

11.3 Ratification

Each Chargor ratifies and confirms and agrees to ratify and confirm whatever any attorney appointed pursuant to Clause 11.1 (*Appointment*) does or purports to do in the exercise or purported exercise of all or any of the powers, acts or other matters referred to in Clause 11.1 (*Appointment*).

12. PROTECTION OF THE SECURITY AGENT, THE SECURED PARTIES AND ANY RECEIVER

12.1 No liability

None of the Security Agent, the other Secured Parties, any Receiver or any of their respective officers, employees or delegates shall be liable in respect of any cost, liability, expense, loss or damage which arises out of the exercise, or attempted or purported exercise of, or the failure to exercise, any of their respective rights under this Deed.

12.2 Not mortgagee in possession

Without prejudice to any other provision of this Deed, entry into possession of any Secured Assets shall not render the Security Agent, any Receiver or any of their respective officers or employees liable:-

12.2.1 to account as mortgagee in possession;

12.2.2 for any loss on realisation; or

12.2.3 for any default or omission for which a mortgagee in possession might be liable,

and if and whenever the Security Agent or any Receiver enters into possession of any Secured Assets it shall be entitled at any time it or he thinks fit to relinquish possession.

12.3 Indemnity

Each Chargor shall indemnify and keep indemnified the Security Agent, each other Secured Party, any Receiver, and their respective officers, employees and delegates, against all claims, costs, expenses and liabilities incurred by them in respect of all or any of the following:-

- 12.3.1 any act or omission by any of them in relation to all or any of the Secured Assets;
- 12.3.2 any payment relating to or in respect of all or any of the Secured Assets which is made at any time by any of them;
- 12.3.3 any stamp, registration or similar Tax or duty which becomes payable in connection with the entry into, or the performance or enforcement of, this Deed;
- 12.3.4 exercising or purporting to exercise or failing to exercise any of the rights, powers and discretions conferred on them or permitted under this Deed; and
- 12.3.5 any breach by a Chargor of any of its covenants or other obligations to the Security Agent or any other Secured Party,

except in the case of gross negligence or wilful misconduct on the part of that person.

12.4 Interest

Each Chargor shall pay interest at the Default Rate on the sums payable under this Clause 12 (*Protection of the Security Agent, the Secured Parties and any Receiver*) from the date on which the liability was incurred to the date of actual payment (both before and after judgment).

12.5 Indemnity out of the Secured Assets

The Security Agent, the other Secured Parties, any Receiver and their respective officers, employees and delegates shall be entitled to be indemnified out of the Secured Assets in respect of the actions, proceedings, demands, claims, costs, expenses and liabilities referred to in Clause 12.3 (*Indemnity*).

12.6 Liability of Chargors related to Secured Assets

Notwithstanding anything contained in this Deed or implied to the contrary, each Chargor remains liable to observe and perform all conditions and obligations assumed by it in relation to the Secured Assets. None of the Secured Parties, the Security Agent or any Receiver is under any obligation to perform or fulfil any such condition or obligation or to make any payment in respect of any such condition or obligation.

12.7 Continuing protection

The provisions of this Clause 12 (*Protection of the Security Agent, the Secured Parties and any Receiver*) shall continue in full force and effect notwithstanding any release or discharge of this Deed or the discharge of any Receiver from office.

13. PROVISIONS RELATING TO THE SECURITY AGENT

13.1 Powers and discretions

The rights, powers and discretions given to the Security Agent in this Deed:-

- 13.1.1 may be exercised as often as, and in such manner as, the Security Agent thinks fit;

13.1.2 are cumulative, and are not exclusive of any of its rights under the general law; and

13.1.3 may only be waived in writing and specifically, and any delay in exercising, or non-exercise of, any right, is not a waiver of it.

13.2 Certificates

A certificate by an officer of the Security Agent:-

13.2.1 as to any amount for the time being due to the Secured Parties or any of them; or

13.2.2 as to any sums payable to the Security Agent under this Deed,

shall (save in the case of manifest error) be conclusive and binding upon the Chargors for all purposes.

13.3 Assignment

The Security Agent may assign this Deed to any successor in title to any of the Secured Liabilities or to a replacement Security Agent, and each Secured Party may assign its interest in this Deed in whole or in part to any successor in title to any of the Secured Liabilities, and the Security Agent and any Secured Party may disclose any information in its possession relating to any Chargor, its affairs or the Secured Liabilities to any actual or prospective assignee.

13.4 Trusts

The perpetuity period for any other constituted by this Deed shall be 80 years.

14. PRESERVATION OF SECURITY

14.1 Continuing Security

This Deed shall be a continuing security to the Security Agent and shall remain in force until expressly discharged in writing by the Security Agent notwithstanding any intermediate settlement of account or other matter or thing whatsoever.

14.2 Additional Security

This Deed is without prejudice and in addition to, and shall not merge with, any other right, remedy or Security of any kind which the Security Agent or any other Secured Party may have now or at any time in the future for or in respect of any of the Secured Liabilities.

14.3 Waiver of Defences

Neither the Security created by this Deed nor the obligations of the Chargors under this Deed will be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice that Security or any of those obligations (whether or not known to it, the Security Agent or any other Secured Party) including:-

14.3.1 any time, waiver or consent granted to, or composition with, any Transaction Obligor or other person;

14.3.2 the release of any Transaction Obligor or any other person under the terms of any composition or arrangement with any person;

14.3.3 the taking, variation, compromise, exchange, renewal, enforcement or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over, assets of any Transaction Obligor or other person or any non-presentation or non-observance of any

formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;

- 14.3.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Transaction Obligor or any other person;
- 14.3.5 any amendment (however fundamental), replacement, variation, novation, assignment or the avoidance or termination of a Finance Document or any other document or Security;
- 14.3.6 any unenforceability, illegality or invalidity of any obligation of, or any Security created by, any person under any Finance Document or any other document; or
- 14.3.7 an insolvency, liquidation, administration or similar procedure.

14.4 Immediate recourse

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

14.5 Appropriations

During the Security Period the Security Agent and each Secured Party may:-

- 14.5.1 refrain from applying or enforcing any moneys, Security or rights held or received by it (or any trustee or agent on its behalf) in respect of the Secured Liabilities, or, subject to Clause 10.1 (*Application of moneys*), apply and enforce the same in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and no Chargor shall be entitled to the same; and
- 14.5.2 hold in an interest-bearing suspense account any moneys received from a Chargor on or account of the Secured Liabilities.

14.6 New accounts

If the Security Agent or any other Secured Party receives notice (whether actual or otherwise) of any subsequent Security over or affecting any of the Secured Assets or if a petition is presented or a resolution passed in relation to the winding up of a Chargor, the Security Agent and the relevant Secured Party or Secured Parties may close the current account or accounts and/or open a new account or accounts for that Chargor. If the Security Agent or any other Secured Party does not open a new account or accounts immediately it shall nevertheless be treated as if it had done so at the time when the relevant event occurred, and as from that time all payments made by that Chargor to the Security Agent or that Secured Party shall be credited or be treated as having been credited the new account or accounts and shall not operate to reduce the Secured Liabilities.

14.7 Tacking

For the purposes of section 43(1) of the Land Registration Act (Northern Ireland) 1970 the Security Agent confirms, as directed by and on behalf of the Secured Parties that the Secured Parties shall make further advances to the Borrowers on the terms and subject to the conditions of the Finance Documents.

14.8 Deferral of Chargors' rights

During the Security Period and unless the Security Agent otherwise directs, no Chargor shall exercise any rights which it may have by reason of performance by its obligations under this Deed or the enforcement of the Security created by this Deed:-

- 14.8.1 to receive or claim payment from, or be indemnified by a Transaction Obligor;

- 14.8.2 to claim any contribution from any guarantor of, or provider of Security in respect of, any Transaction Obligor's obligations under the Finance Documents;
- 14.8.3 to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of any Secured Party under any Finance Document or of any guarantee or Security taken pursuant to, or in connection with, the Finance Documents by any Secured Party;
- 14.8.4 to exercise any right of set-off against any Transaction Obligor; and/or
- 14.8.5 to claim or prove as a creditor of any Transaction Obligor in competition with any Secured Party.

15. RELEASE

15.1 Release

Upon the irrevocable and unconditional payment and discharge in full of the Secured Liabilities and the termination of all facilities which might give rise to Secured Liabilities, the Security Agent shall, or shall procure that its appointees will, at the request and cost of the Chargors:-

- 15.1.1 release the Secured Assets from this Deed; and
- 15.1.2 re-assign the Secured Assets that has been assigned to the Security Agent under this Deed.

15.2 Reinstatement

If the Security Agent considers that any amount paid or credited to any Secured Party under any Finance Document (whether in respect of the obligations of any Transaction Obligor or any Security for those obligations or otherwise) is capable of being avoided, reduced or otherwise set aside:-

- 15.2.1 that amount shall not be considered to have been paid for the purposes of determining whether the Secured Liabilities have been irrevocably and unconditionally paid and discharged; and
- 15.2.2 the liability of the Chargors and the Security created by this Deed shall continue as if that amount had not been paid or credited.

16. MISCELLANEOUS PROVISIONS

16.1 Severability

If any provision of this Deed is illegal, invalid or unenforceable in any jurisdiction, that shall not affect:-

- 16.1.1 the validity or enforceability of any other provision, in any jurisdiction; or
- 16.1.2 the validity or enforceability of that particular provision, in any other jurisdiction.

16.2 Counterparts

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

17. NOTICES

17.1 Communications in Writing

Each communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, shall be made by email or letter.

17.2 Addresses

The address and email address (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Deed is that identified with its name (in the execution pages) below or any substitute address, email address, or department or officer as a Party may notify to the other by not less than five Business Days' notice.

17.3 Delivery

17.3.1 Any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective:-

- (a) if by way of email, when received in legible form; or
- (b) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 17.2 (*Addresses*) of this Deed, if addressed to that department or officer.

17.3.2 Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is expressly marked for the attention of the department or officer identified with the Security Agent's signature below (or any substitute department or officer as the Security Agent shall specify for this purpose).

17.4 English language

17.4.1 Any notice given under or in connection with this Deed must be in English.

17.4.2 All other documents provided under or in connection with this Deed must be:-

- (a) in English; or
- (b) if not in English, and if so required by the Security Agent or Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

18. GOVERNING LAW

This Deed and any non-contractual obligations arising out of or in connection with it are governed by the laws of Northern Ireland.

19. ENFORCEMENT

19.1 Jurisdiction of Courts of Northern Ireland

19.1.1 The courts of Northern Ireland have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or

termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "**Dispute**").

- 19.1.2 The Parties to this Deed agree that the courts of Northern Ireland are the most appropriate and convenient courts to settle disputes and accordingly no such Party will argue to the contrary.
- 19.1.3 This Clause 19.1 is for the benefit of the Secured Parties only. As a result, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

EXECUTED AND DELIVERED AS A DEED on the date set out at the beginning of this Deed.

SCHEDULE 1**THE CHARGORS**

Company Name	Registered Number	Registered Office
Benmore Developments (N.I.) Limited	NI028681	Unit 1 Ground Floor Adelaide Exchange, 24-26 Adelaide Street, Belfast, Antrim, Northern Ireland, BT2 8GD
Oliban Limited	NI641386	7 Quarterlands Lane, Lisburn, Antrim, Northern Ireland, BT27 5GY
JHL2 Ltd	NI671594	Crobane Enterprise Park, 25 Hilltown Road, Newry, Down, Northern Ireland, BT34 2LJ

SCHEDULE 2

FORM OF NOTICE OF ASSIGNMENT

[To be printed on the headed notepaper of the Chargor]

To: **[KH (BALMORAL) LTD]**

Date: []

Dear Sirs,

[DESCRIPTION OF SUBORDINATED DEBT] (THE "SUBORDINATED DEBT") AND [DESCRIPTION OF SUBORDINATED DOCUMENTS] (THE "SUBORDINATED DOCUMENTS")

1. We give you notice that we have entered into a security agreement dated [] in favour of **APEX CORPORATE TRUSTEES (UK) LIMITED** (the "Security Agent") (the "**Security Agreement**").
2. We give you notice that, pursuant to the terms of the Security Agreement, we have assigned (and, to the extent not validly or effectively assigned, we have charged by way of fixed charge) to the Security Agent by way of security all of our rights, title and interest from time to time in, and the full benefit of, the Subordinated Debt and the Subordinated Documents and all rights, title and interest in any amounts payable to us in respect of the Subordinated Debt and the Subordinated Documents.
3. Following the Security Agent's notification to you that the security created by the Security Agreement has become enforceable:-
 - 3.1 all payments to be made to us under or arising in respect of the Subordinated Debt and under the Subordinated Documents should be made to the Security Agent to such bank account as it may specify in writing from time to time;
 - 3.2 all remedies provided for in the Subordinated Documents or available at law or in equity are exercisable by the Security Agent;
 - 3.3 you are authorised and instructed, without further approval from us, to comply with your obligations (including without limitation your payment obligations) in respect of the Subordinated Debt and under the Subordinated Documents in accordance with the written instructions of the Security Agent from time to time (and to hold the money for any such payments to the Security Agent's order pending receipt of written instructions from the Security Agent); and
 - 3.4 subject to paragraph 4 below, you shall allow the Security Agent to perform all the obligations assumed by us in respect of the Subordinated Debt and under the Subordinated Documents.
4. We shall remain liable to perform all our obligations in respect of the Subordinated Debt and under the Subordinated Documents and the Security Agent shall be under no obligation of any kind whatsoever in respect of the Subordinated Debt and the Subordinated Documents.
5. This notice, and any dispute or claim arising out of or in connection with it, shall be governed by and construed in accordance with the laws of Northern Ireland.

Please acknowledge receipt of this notice and your acknowledgement of the matters and instructions set out above within [three] Business Days of receipt by signing, dating and returning the enclosed copy of this letter directly to the Security Agent at [] marked for the attention of [].

Yours faithfully,

for and on behalf of
[CHARGOR]

Acknowledged:

.....
For and on behalf of
KH (BALMORAL) LTD

EXECUTION PAGES

THE CHARGORS

EXECUTED as a Deed by)
BENMORE DEVELOPMENTS (N.I.) LIMITED)
acting by)

..... Kevin McKay Director
a director

in the presence of:

.....
Signature of witness

.....
Name of Witness

.....
Address

.....
Occupation

Avril McCammon Solicitor
McKees
The Linenhall
32/38 Linenhall Street
Belfast, BT2 8BG

Address: Unit 1 Ground Floor Adelaide Exchange, 24-26 Adelaide
Street, Belfast, Antrim, Northern Ireland, BT2 8GD

Attention: The Directors

Email kevin@benmoregroup.com

EXECUTED as a Deed by
OLIBAN LIMITED
acting by

David Burrows
a director

)
)
)
Direc



in the presence of:

[Redacted Signature]
Signature of witness

Name of Witness

Address

Occupation

Avril McCammon Solicitor
McKees
The Linenhall
32/38 Linenhall Street
Belfast, BT2 8BG

Address: 7 Quarterlands Lane, Lisburn, Antrim, Northern Ireland,
BT27 5GY

Attention: The Directors

Email: david@aoliban-ni.com

EXECUTED as a Deed by
JHL2 LTD
acting by

William Donnelly
a director

)
)
)
Director

in the presence of:

Signature

Name of Witness

Address

Occupation

Avril McCammon Solicitor
McKees
The Linenhall
32/38 Linenhall Street
Belfast, BT2 8BG

Address: Crobane Enterprise Park, 25 Hilltown Road, Newry,
Down, Northern Ireland, BT34 2LJ

Attention: The Directors

Email: williamdonnelly@richmondmarketing.co.uk

THE SECURITY AGENT

SIGNED for and on behalf of
APEX CORPORATE TRUSTEES (UK)
LIMITED

Address: 6th Floor, 125 London Wall, London, EC2Y 5AS

DATED 26 FEBRUARY 2024

**(1) THE PARTIES LISTED IN SCHEDULE 1
(as Chargors)**

**(2) APEX CORPORATE TRUSTEES (UK) LIMITED
(as Security Agent)**

**SUBORDINATED CREDITORS' SECURITY
AGREEMENT**



Pinsent Masons

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THIS DEED is made on

26 FEBRUARY

2024

BETWEEN:-

- (1) **THE PARTIES LISTED IN SCHEDULE 1 HEREIN** (the "**Chargors**" and each a "**Chargor**"); and
- (2) **APEX CORPORATE TRUSTEES (UK) LIMITED** as security agent and trustee for itself and each of the Secured Parties (the "**Security Agent**").

INTRODUCTION

- (A) The Lenders have agreed to make credit facilities available to the Borrowers (as defined below) on the terms and conditions set out in the Facilities Agreement (as defined below), as amended by the Amendment and Restatement Agreement.
- (B) Each Chargor acknowledges that its entry into this Deed is a condition of the Finance Parties entering into the Amendment and Restatement Agreement and has agreed to enter into this Deed to provide Security over the Secured Assets (each as defined below) to the Security Agent to hold on trust for itself and the other Secured Parties (as defined below).

IT IS AGREED as follows:-

1. INTERPRETATION

1.1 Definitions

In this Deed:-

"1881 Act"	means the Conveyancing and Law of Property Act 1881
"1911 Act"	means the Conveyancing Act 1911
"Amendment and Restatement Agreement"	means the amendment and restatement agreement of the Facilities Agreement dated on or around the date of this Deed between (1) KH (Balmoral) Developments Limited and KH (Balmoral) Ltd (as Borrowers), (2) CBRE Indirect Investment Services Limited (as Arranger), (3) GFS Corporate Director II Limited (as Original Lender), (4) BCMGlobal (UK) Limited (as Agent) and (5) the Security Agent
"Conveyancing Acts 1881 to 1911"	means together:- <ul style="list-style-type: none">(a) the 1881 Act(b) the Conveyancing Act 1882(c) the Conveyancing Act 1892 and(d) the 1911 Act
"Default Rate"	means the rate specified in Clause 8.4 (<i>Default interest</i>) of the Facilities Agreement
"Facilities Agreement"	means the facilities agreement originally dated 10 December 2019 and made between, (1) KH (Balmoral) Developments Limited and KH (Balmoral) Ltd (as Borrowers), (2) CBRE Indirect Investment Services Limited (as Arranger), (3) GFS Corporate Director II Limited (as Original Lender), (4) BCMGlobal (UK) Limited (as Agent) and (5) the Security Agent as amended and restated by the

Amendment and Restatement Agreement and as amended, varied, supplemented, extended or replaced from time to time

"Party"	means a party to this Deed
"Receiver"	means any receiver, receiver and manager or, to the extent permitted by law, an administrative receiver (whether appointed pursuant to this Deed or any statute, by a court or otherwise) of the whole or any part of the Secured Assets
"Regulations"	means the Financial Collateral Arrangements (No2) Regulations 2003 (S.I. 2003/3226) or equivalent legislation in any applicable jurisdiction bringing into effect Directive 2002/47/EC on financial collateral arrangements
"Related Rights"	means:- <ul style="list-style-type: none">(a) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of the Secured Assets and(b) any moneys and proceeds or income paid or payable in respect of the Secured Assets
"Relevant Jurisdiction"	means:- <ul style="list-style-type: none">(a) each Chargor's jurisdiction of incorporation(b) any jurisdiction where any asset subject to or intended to be subject to the Security created by a Chargor pursuant to this Deed is situated and(c) the jurisdiction whose laws govern the perfection of this Deed
"Secured Assets"	means all the assets and undertaking of the Chargors which from time to time are, or purport to be, the subject of the Security created in favour of the Security Agent by or pursuant to this Deed
"Secured Liability"	means all present and future obligations or liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Transaction Obligor to any Secured Party under each Finance Document (together the "Secured Liabilities")
"Security"	means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect
"Security Period"	means the period beginning on the date of this Deed and ending on the date which the Security Agent is satisfied:- <ul style="list-style-type: none">(a) all of the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and(b) no Secured Party has any further commitment, obligation or liability under or pursuant to the Finance Documents

"Subordinated Debt" means all present and future obligations or liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Borrower to a Chargor pursuant to a Subordinated Document or otherwise

"Subordinated Documents" means any agreement evidencing or recording the terms of the Subordinated Debt

1.2 Incorporation of terms

Unless the context otherwise requires or unless defined in this Deed, all words and expressions defined or whose interpretation is provided for in the Facilities Agreement shall have the same meanings in this Deed.

1.3 Interpretation

1.3.1 The principles of interpretation set out in Clauses 1.2 (*Construction*) and 1.3 (*Currency, symbols and definitions*) of the Facilities Agreement shall apply to this Deed insofar as they are relevant to it.

1.3.2 Unless the context otherwise requires, a reference to a **"Finance Document"** or any other agreement, deed or instrument is a reference to that Finance Document or other agreement, deed or instrument as amended, novated, supplemented, restated or replaced (however fundamentally) and includes any increase in, extension of, or change to, any facility made available under that Finance Document or other agreement, deed or instrument.

1.4 Acknowledgement

1.4.1 Each Chargor acknowledges that the Security Agent enters into this Deed for itself and as trustee for the Secured Parties who shall be entitled to the full benefit of this Deed.

1.4.2 The Security Agent executed this Deed as Security Agent in the exercise of the right, powers and authority conferred and vested in it under the Facilities Agreement and any other Finance Documents for and on behalf of the Secured Parties for whom it acts. It will exercise its powers, rights, duties and authority under this Deed in the manner provided for in the Facilities Agreement and, in so acting, the Security Agent shall have the protections, immunities, rights, powers, authorisations, indemnities and benefits conferred on it under and by the Facilities Agreement and the Finance Documents.

1.4.3 In acting under and in accordance with this Deed, the Security Agent is entitled to seek instructions from the Secured Parties in accordance with the Facilities Agreement and at any time and where it acts or refrains from acting in accordance with the instructions of the Secured Parties entitled to give the Security Agent instructions, the Security Agent shall not incur any liability to any person for so acting or refraining from acting.

1.5 Effect as a deed

This Deed shall take effect as a deed even if it is signed under hand on behalf of the Security Agent.

1.6 Third party rights

1.6.1 Each Secured Party, any Receiver and their respective officers, employees and agents may enforce any term of this Deed which purports to confer a benefit on that person, but no other person who is not a Party has any right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.

1.6.2 Notwithstanding any term of any Finance Document, the Parties and any Receiver may rescind, vary, waive, release, assign, novate or otherwise dispose of all or any of their

respective rights or obligations under this Deed without the consent of any person who is not a Party.

2. COVENANT TO PAY

2.1 Secured Liabilities

Each Chargor covenants that it will on demand pay and discharge the Secured Liabilities when due.

2.2 Interest

Each Chargor covenants to pay interest at the Default Rate to the Security Agent on any sum not paid in accordance with Clause 2.1 (*Secured Liabilities*) until payment (both before and after judgment).

3. SECURITY

3.1 Assignment

Each Chargor assigns absolutely, subject to a proviso for reassignment on the irrevocable discharge in full of the Secured Liabilities, all its right, title and interest from time to time in:-

3.1.1 the Subordinated Debt;

3.1.2 the Subordinated Documents; and

3.1.3 all Related Rights under or in connection with the Subordinated Debt and the Subordinated Documents.

3.2 Charge

To the extent not effectively assigned under Clause 3.1 (*Assignment*), each Chargor charges by way of first fixed charge:-

3.2.1 the Subordinated Debt;

3.2.2 the Subordinated Documents; and

3.2.3 all Related Rights under or in connection with the Subordinated Debt and the Subordinated Documents.

3.3 Trust

If or to the extent that for any reason the assignment or charging of any Secured Asset is prohibited, each Chargor shall:-

3.3.1 hold it on trust for the Security Agent as security for the payment and discharge of the Secured Liabilities; and

3.3.2 take such steps as the Security Agent may require to remove the impediment to assignment or charging.

3.4 Nature of Security created

The Security created under this Deed is created:-

3.4.1 as a continuing security to secure the payment and discharge of the Secured Liabilities and shall not be released or discharged by any intermediate payment or settlement of all or any of the Secured Liabilities;

3.4.2 in favour of the Security Agent as trustee for the Secured Parties; and

3.4.3 as beneficial owner in accordance with the 1881 Act.

4. PERFECTION OF SECURITY

4.1 Each Chargor must deliver notices of assignment in relation to the Secured Assets on the date of this Deed in the form set out in Schedule 2 (*Form of notice of assignment*).

4.2 Each Chargor must:-

4.2.1 use all reasonable endeavours to procure that, on the date of this Deed, each notice of assignment is acknowledged by the Borrowers; and

4.2.2 deliver to the Security Agent a copy of each acknowledgment of a notice of assignment within three Business Days of receipt from the Borrowers.

5. REPRESENTATIONS

Each Chargor makes the representations and warranties set out in this Clause 5 to the Security Agent on the date of this Deed and on each other day during the Security Period with reference to the facts and circumstances then existing on the date of repetition.

5.1 Status

5.1.1 It is a limited liability corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.

5.1.2 It has the power to own its own assets and carry on its business as it is being conducted.

5.2 Binding obligations

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

5.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, this Deed and the granting of Security pursuant to this Deed do not and will not conflict with:-

5.3.1 any law or regulation applicable to it;

5.3.2 its constitutional documents; or

5.3.3 any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument.

5.4 Power and authority

5.4.1 It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Deed and the transactions contemplated by this Deed.

5.4.2 No limit on its powers will be exceeded as a result of the grant of Security or giving of any guarantee or indemnity contemplated by this Deed.

5.5 Validity and admissibility in evidence

All Authorisations required or desirable:-

5.5.1 to enable it lawfully to enter into, exercise its rights and comply with its obligations in this Deed; and

5.5.2 to make this Deed admissible in evidence in the Relevant Jurisdictions,

have been obtained or effected and are in full force and effect.

5.6 Governing law and enforcement

5.6.1 The choice of the laws of Northern Ireland to govern this Deed will be recognised and enforced in the Relevant Jurisdictions.

5.6.2 Any judgment obtained in relation to this Deed in Northern Ireland will be recognised and enforced in the Relevant Jurisdictions.

5.7 No filing or stamp taxes

Under the laws of each Relevant Jurisdiction it is not necessary that this Deed be registered, filed, recorded, notarised or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to this Deed or the transactions contemplated by it except registration of particulars of this Deed at Companies House under the Companies Act 2006 and payment of associated fees which registration and fees will be made and paid promptly after the date of this Deed.

5.8 Solvency

It is not unable nor has it admitted inability to pay its debts as they fall due.

5.9 Title to Secured Assets

It is the legal and beneficial owner of the Secured Assets.

5.10 Ranking of Security

The Security conferred by this Deed constitutes a first priority security interest of the type described in this Deed over the Security Assets.

6. GENERAL UNDERTAKINGS

The undertakings in this Clause remain in force at all times during the Security Period.

6.1 Further assurance

Each Chargor undertakes that it shall, from time to time and at its own expense, promptly do whatever the Security Agent requires to:-

6.1.1 give effect to the requirements of this Deed;

6.1.2 perfect, preserve or protect the Security created or expressed to be created by this Deed, or its priority; or

6.1.3 once the Security created by this Deed has become enforceable, facilitate the realisation of the Secured Assets or the exercise of any rights vested in the Security Agent or any Receiver by this Deed or by law,

including executing any charge, assignment or assurance of or in respect of the Secured Assets (whether to the Security Agent or its nominees or otherwise), making any registration and giving any notice, order or direction. The obligations of the Chargors under this Clause 6.1 are in addition to the covenants for further assurance deemed to be included by virtue of the Conveyancing Acts 1881 to 1911.

6.2 Negative pledge

Each Chargor undertakes that it shall not create or permit to subsist any Security over any Secured Assets.

6.3 Disposals

Each Chargor undertakes that it shall not enter into or agree to enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, transfer or otherwise dispose of any Secured Assets.

6.4 Payments without deduction

Each Chargor undertakes that all payments to be made by it under this Deed shall be calculated and made without (and free and clear of any deduction for) set-off or counterclaim.

7. UNDERTAKINGS RELATING TO SECURED ASSETS

7.1 Each Chargor undertakes that it shall:-

7.1.1 perform all its obligations in respect of the Secured Assets in a diligent and timely manner; and

7.1.2 notify the Security Agent of any breach of or default under a Subordinated Document by a Borrower and any right that arises entitling a Borrower to terminate or rescind a Subordinated Document, promptly upon becoming aware of the same.

7.2 Each Chargor undertakes that it shall not, without the prior written consent of the Security Agent:-

7.2.1 amend, supplement, supersede or waive any material provision (or agree to do to any of the foregoing) of any Subordinated Document;

7.2.2 exercise any right to rescind, cancel, terminate or release any Borrower from any obligations (or agree to do to any of the foregoing) in respect of any Secured Assets; or

7.2.3 assign, transfer, charge or otherwise deal with or dispose of any Secured Assets or any of the Chargors' rights, title, interest and benefits in, to and in respect of any Secured Assets,

except as permitted by the terms of the Finance Documents.

8. DEMAND AND ENFORCEMENT

8.1 Enforcement

The Security created by this Deed shall become enforceable upon:-

8.1.1 the occurrence of an Event of Default which is continuing; or

8.1.2 any request being made by a Chargor to the Security Agent for the appointment of a Receiver, or for the Security Agent to exercise any other power or right available to it.

8.2 Powers on enforcement

At any time after the Security created by this Deed has become enforceable, the Security Agent may (without prejudice to any other rights and remedies and without notice to the Chargors) do all or any of the following:-

- 8.2.1 exercise the power of sale under section 19 of the 1881 Act and section 4 of the 1911 Act, together with all other powers and rights conferred on mortgagees by the Conveyancing Acts 1881 to 1911, as varied and extended by this Deed, without the restrictions contained in section 20 or 24(1) of the 1881 Act;
- 8.2.2 to the extent that any Secured Asset constitutes "Financial Collateral" and this Deed constitutes a "security financial collateral arrangement" each as defined in the Regulations, appropriate all or any part of the Secured Assets in or towards satisfaction of the Secured Liability (including transferring the title in and to it to the Security Agent insofar as not already transferred, subject to paragraphs (1) and (2) of Regulation 18), the value of the property so appropriated being the amount standing to the credit of the relevant Account (where the property is the benefit of an Account) or, in any other case, such amount as the Security Agent shall determine in a commercially reasonable manner; and
- 8.2.3 subject to Clause 9.1 (*Method of appointment or removal*), appoint one or more persons to be a Receiver or Receivers of all or any of the Secured Assets.

8.3 Disposal of the Secured Assets

In exercising the powers referred to in Clause 8.2 (*Powers on enforcement*), the Security Agent or any Receiver may sell or dispose of all or any of the Secured Assets at the times, in the manner and order, on the terms and conditions and for the consideration determined by it.

8.4 Same rights as Receiver

Any rights conferred by this Deed upon a Receiver may be exercised by the Security Agent after the Security created by this Deed has become enforceable, whether or not the Security Agent shall have taken possession or appointed a Receiver of the Secured Assets.

8.5 Delegation

The Security Agent may delegate in any manner to any person any rights exercisable by the Security Agent under this Deed. Any such delegation may be made upon such terms and conditions (including power to sub-delegate) as the Security Agent thinks fit.

9. RECEIVERS

9.1 Method of appointment or removal

Every appointment or removal of a Receiver, any delegate or any other person by the Security Agent under this Deed shall be in writing under the hand of any officer or manager of the Security Agent (subject to any requirement for a court order in the case of the removal of an administrative receiver).

9.2 Removal

The Security Agent may (subject to the application of article 55 of the Insolvency (Northern Ireland) Order 1989) remove any person from office in relation to all or any part of the Secured Assets of which he is the Receiver and at any time (before or after any person shall have vacated office or ceased to act as Receiver in respect of any of such Secured Assets) appoint a further or other Receiver or Receivers over all or any part of such Secured Assets.

9.3 Powers

Every Receiver shall have and be entitled to exercise all the powers:-

- 9.3.1 of the Security Agent under this Deed;
- 9.3.2 conferred by the Conveyancing Acts 1881 to 1911 on mortgagees in possession and on receivers appointed under the Conveyancing Acts 1881 to 1911 (in each case as extended by this Deed);
- 9.3.3 in relation to, and to the extent applicable to, the Secured Assets or any of them, of an administrative receiver set out in schedule 1 to the Insolvency (Northern Ireland) Order 1989, whether or not the Receiver is an administrative receiver;
- 9.3.4 in relation to any Secured Assets, which he would have if he were its only beneficial owner; and
- 9.3.5 to do all things incidental or conducive to any functions, powers, authorities or discretions conferred or vested in the Receiver.

9.4 Receiver as agent

The Receiver shall be the agent of the Chargors (and the Chargors shall be solely liable for the Receiver's acts, defaults, remuneration, losses and liabilities) unless and until that Chargor goes into liquidation, from which time the Receiver shall act as principal and shall not become the agent of the Security Agent.

9.5 Joint or several

If two or more persons are appointed as Receivers of the same assets, they may act jointly and/or severally so that (unless any instrument appointing them specifies to the contrary) each of them may exercise individually all the powers and discretions conferred on Receivers by this Deed.

9.6 Receiver's remuneration

Every Receiver shall be entitled to remuneration for his services at a rate to be fixed by the Security Agent and the maximum rate specified in section 24(6) of the 1881 Act shall not apply.

10. APPLICATION OF MONEYS

10.1 Application of moneys

All sums received by virtue of this Deed by the Security Agent or any Receiver shall, subject to the payment of any claim having priority to this Deed, be paid or applied in the following order of priority:-

- 10.1.1 **first**, in or towards satisfaction pro rata of, or the provision pro rata for, all costs, charges and expenses incurred and payments made by the Security Agent as agent for the Secured Parties and/or as trustee in relation to the this Deed, or by any Receiver (including legal expenses), together with interest at the Default Rate (both before and after judgment) from the date those amounts became due until the date they are irrevocably paid in full;
- 10.1.2 **secondly**, in or towards the payment pro rata of, or the provision pro rata for, any unpaid fees, commission or remuneration of the Security Agent or any Receiver;
- 10.1.3 **thirdly**, in or towards payment of the Secured Liabilities in accordance with the Facilities Agreement;
- 10.1.4 **fourthly**, in the payment of the surplus (if any), to the Chargors or any other person entitled to it,

and section 24 (8) of the 1881 Act shall not apply to this Deed.

11. POWER OF ATTORNEY

11.1 Appointment

Each Chargor irrevocably and by way of security appoints:-

11.1.1 the Security Agent (whether or not a Receiver has been appointed);

11.1.2 any delegate or sub delegate of, or other person nominated in writing by, an officer of the Security Agent; and

11.1.3 (as a separate appointment) each Receiver,

severally as its attorney and attorneys with power to do any act, and execute and deliver any deed or other document, on behalf of and in the name of any Chargor, which it could be required to do or execute under any provision of this Deed, or which the Security Agent in its sole opinion may consider necessary or desirable for perfecting its title to any of the Secured Assets or enabling the Security Agent or the Receiver to exercise any of its rights or powers under this Deed:-

(a) where an Event of Default is continuing or

(b) where no Event of Default is continuing, but that Chargor has failed to take such steps as to execute, deliver, perfect all deeds, instruments and/or other documents or do or cause to be done all acts and things requested of it by the Security Agent within 10 Business Days of being so requested to take such action.

11.2 Each Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 11. If the Security Agent takes any action under Clause 11.1.3(b) above, it shall notify the relevant Chargor of this.

11.3 Ratification

Each Chargor ratifies and confirms and agrees to ratify and confirm whatever any attorney appointed pursuant to Clause 11.1 (*Appointment*) does or purports to do in the exercise or purported exercise of all or any of the powers, acts or other matters referred to in Clause 11.1 (*Appointment*).

12. PROTECTION OF THE SECURITY AGENT, THE SECURED PARTIES AND ANY RECEIVER

12.1 No liability

None of the Security Agent, the other Secured Parties, any Receiver or any of their respective officers, employees or delegates shall be liable in respect of any cost, liability, expense, loss or damage which arises out of the exercise, or attempted or purported exercise of, or the failure to exercise, any of their respective rights under this Deed.

12.2 Not mortgagee in possession

Without prejudice to any other provision of this Deed, entry into possession of any Secured Assets shall not render the Security Agent, any Receiver or any of their respective officers or employees liable:-

12.2.1 to account as mortgagee in possession;

12.2.2 for any loss on realisation; or

12.2.3 for any default or omission for which a mortgagee in possession might be liable,

and if and whenever the Security Agent or any Receiver enters into possession of any Secured Assets it shall be entitled at any time it or he thinks fit to relinquish possession.

12.3 Indemnity

Each Chargor shall indemnify and keep indemnified the Security Agent, each other Secured Party, any Receiver, and their respective officers, employees and delegates, against all claims, costs, expenses and liabilities incurred by them in respect of all or any of the following:-

- 12.3.1 any act or omission by any of them in relation to all or any of the Secured Assets;
- 12.3.2 any payment relating to or in respect of all or any of the Secured Assets which is made at any time by any of them;
- 12.3.3 any stamp, registration or similar Tax or duty which becomes payable in connection with the entry into, or the performance or enforcement of, this Deed;
- 12.3.4 exercising or purporting to exercise or failing to exercise any of the rights, powers and discretions conferred on them or permitted under this Deed; and
- 12.3.5 any breach by a Chargor of any of its covenants or other obligations to the Security Agent or any other Secured Party,

except in the case of gross negligence or wilful misconduct on the part of that person.

12.4 Interest

Each Chargor shall pay interest at the Default Rate on the sums payable under this Clause 12 (*Protection of the Security Agent, the Secured Parties and any Receiver*) from the date on which the liability was incurred to the date of actual payment (both before and after judgment).

12.5 Indemnity out of the Secured Assets

The Security Agent, the other Secured Parties, any Receiver and their respective officers, employees and delegates shall be entitled to be indemnified out of the Secured Assets in respect of the actions, proceedings, demands, claims, costs, expenses and liabilities referred to in Clause 12.3 (*Indemnity*).

12.6 Liability of Chargors related to Secured Assets

Notwithstanding anything contained in this Deed or implied to the contrary, each Chargor remains liable to observe and perform all conditions and obligations assumed by it in relation to the Secured Assets. None of the Secured Parties, the Security Agent or any Receiver is under any obligation to perform or fulfil any such condition or obligation or to make any payment in respect of any such condition or obligation.

12.7 Continuing protection

The provisions of this Clause 12 (*Protection of the Security Agent, the Secured Parties and any Receiver*) shall continue in full force and effect notwithstanding any release or discharge of this Deed or the discharge of any Receiver from office.

13. PROVISIONS RELATING TO THE SECURITY AGENT

13.1 Powers and discretions

The rights, powers and discretions given to the Security Agent in this Deed:-

- 13.1.1 may be exercised as often as, and in such manner as, the Security Agent thinks fit;

- 13.1.2 are cumulative, and are not exclusive of any of its rights under the general law; and
- 13.1.3 may only be waived in writing and specifically, and any delay in exercising, or non-exercise of, any right, is not a waiver of it.

13.2 Certificates

A certificate by an officer of the Security Agent:-

- 13.2.1 as to any amount for the time being due to the Secured Parties or any of them; or
- 13.2.2 as to any sums payable to the Security Agent under this Deed,

shall (save in the case of manifest error) be conclusive and binding upon the Chargors for all purposes.

13.3 Assignment

The Security Agent may assign this Deed to any successor in title to any of the Secured Liabilities or to a replacement Security Agent, and each Secured Party may assign its interest in this Deed in whole or in part to any successor in title to any of the Secured Liabilities, and the Security Agent and any Secured Party may disclose any information in its possession relating to any Chargor, its affairs or the Secured Liabilities to any actual or prospective assignee.

13.4 Trusts

The perpetuity period for any other constituted by this Deed shall be 80 years.

14. PRESERVATION OF SECURITY

14.1 Continuing Security

This Deed shall be a continuing security to the Security Agent and shall remain in force until expressly discharged in writing by the Security Agent notwithstanding any intermediate settlement of account or other matter or thing whatsoever.

14.2 Additional Security

This Deed is without prejudice and in addition to, and shall not merge with, any other right, remedy or Security of any kind which the Security Agent or any other Secured Party may have now or at any time in the future for or in respect of any of the Secured Liabilities.

14.3 Waiver of Defences

Neither the Security created by this Deed nor the obligations of the Chargors under this Deed will be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice that Security or any of those obligations (whether or not known to it, the Security Agent or any other Secured Party) including:-

- 14.3.1 any time, waiver or consent granted to, or composition with, any Transaction Obligor or other person;
- 14.3.2 the release of any Transaction Obligor or any other person under the terms of any composition or arrangement with any person;
- 14.3.3 the taking, variation, compromise, exchange, renewal, enforcement or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over, assets of any Transaction Obligor or other person or any non-presentation or non-observance of any

formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;

- 14.3.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Transaction Obligor or any other person;
- 14.3.5 any amendment (however fundamental), replacement, variation, novation, assignment or the avoidance or termination of a Finance Document or any other document or Security;
- 14.3.6 any unenforceability, illegality or invalidity of any obligation of, or any Security created by, any person under any Finance Document or any other document; or
- 14.3.7 an insolvency, liquidation, administration or similar procedure.

14.4 Immediate recourse

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

14.5 Appropriations

During the Security Period the Security Agent and each Secured Party may:-

- 14.5.1 refrain from applying or enforcing any moneys, Security or rights held or received by it (or any trustee or agent on its behalf) in respect of the Secured Liabilities, or, subject to Clause 10.1 (*Application of moneys*), apply and enforce the same in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and no Chargor shall be entitled to the same; and
- 14.5.2 hold in an interest-bearing suspense account any moneys received from a Chargor on or account of the Secured Liabilities.

14.6 New accounts

If the Security Agent or any other Secured Party receives notice (whether actual or otherwise) of any subsequent Security over or affecting any of the Secured Assets or if a petition is presented or a resolution passed in relation to the winding up of a Chargor, the Security Agent and the relevant Secured Party or Secured Parties may close the current account or accounts and/or open a new account or accounts for that Chargor. If the Security Agent or any other Secured Party does not open a new account or accounts immediately it shall nevertheless be treated as if it had done so at the time when the relevant event occurred, and as from that time all payments made by that Chargor to the Security Agent or that Secured Party shall be credited or be treated as having been credited the new account or accounts and shall not operate to reduce the Secured Liabilities.

14.7 Tacking

For the purposes of section 43(1) of the Land Registration Act (Northern Ireland) 1970 the Security Agent confirms, as directed by and on behalf of the Secured Parties that the Secured Parties shall make further advances to the Borrowers on the terms and subject to the conditions of the Finance Documents.

14.8 Deferral of Chargors' rights

During the Security Period and unless the Security Agent otherwise directs, no Chargor shall exercise any rights which it may have by reason of performance by its obligations under this Deed or the enforcement of the Security created by this Deed:-

- 14.8.1 to receive or claim payment from, or be indemnified by a Transaction Obligor;

- 14.8.2 to claim any contribution from any guarantor of, or provider of Security in respect of, any Transaction Obligor's obligations under the Finance Documents;
- 14.8.3 to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of any Secured Party under any Finance Document or of any guarantee or Security taken pursuant to, or in connection with, the Finance Documents by any Secured Party;
- 14.8.4 to exercise any right of set-off against any Transaction Obligor; and/or
- 14.8.5 to claim or prove as a creditor of any Transaction Obligor in competition with any Secured Party.

15. RELEASE

15.1 Release

Upon the irrevocable and unconditional payment and discharge in full of the Secured Liabilities and the termination of all facilities which might give rise to Secured Liabilities, the Security Agent shall, or shall procure that its appointees will, at the request and cost of the Chargors:-

- 15.1.1 release the Secured Assets from this Deed; and
- 15.1.2 re-assign the Secured Assets that has been assigned to the Security Agent under this Deed.

15.2 Reinstatement

If the Security Agent considers that any amount paid or credited to any Secured Party under any Finance Document (whether in respect of the obligations of any Transaction Obligor or any Security for those obligations or otherwise) is capable of being avoided, reduced or otherwise set aside:-

- 15.2.1 that amount shall not be considered to have been paid for the purposes of determining whether the Secured Liabilities have been irrevocably and unconditionally paid and discharged; and
- 15.2.2 the liability of the Chargors and the Security created by this Deed shall continue as if that amount had not been paid or credited.

16. MISCELLANEOUS PROVISIONS

16.1 Severability

If any provision of this Deed is illegal, invalid or unenforceable in any jurisdiction, that shall not affect:-

- 16.1.1 the validity or enforceability of any other provision, in any jurisdiction; or
- 16.1.2 the validity or enforceability of that particular provision, in any other jurisdiction.

16.2 Counterparts

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

17. NOTICES

17.1 Communications in Writing

Each communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, shall be made by email or letter.

17.2 Addresses

The address and email address (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Deed is that identified with its name (in the execution pages) below or any substitute address, email address, or department or officer as a Party may notify to the other by not less than five Business Days' notice.

17.3 Delivery

17.3.1 Any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective:-

- (a) if by way of email, when received in legible form; or
- (b) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 17.2 (*Addresses*) of this Deed, if addressed to that department or officer.

17.3.2 Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is expressly marked for the attention of the department or officer identified with the Security Agent's signature below (or any substitute department or officer as the Security Agent shall specify for this purpose).

17.4 English language

17.4.1 Any notice given under or in connection with this Deed must be in English.

17.4.2 All other documents provided under or in connection with this Deed must be:-

- (a) in English; or
- (b) if not in English, and if so required by the Security Agent or Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

18. GOVERNING LAW

This Deed and any non-contractual obligations arising out of or in connection with it are governed by the laws of Northern Ireland.

19. ENFORCEMENT

19.1 Jurisdiction of Courts of Northern Ireland

19.1.1 The courts of Northern Ireland have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or

termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "**Dispute**").

19.1.2 The Parties to this Deed agree that the courts of Northern Ireland are the most appropriate and convenient courts to settle disputes and accordingly no such Party will argue to the contrary.

19.1.3 This Clause 19.1 is for the benefit of the Secured Parties only. As a result, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

EXECUTED AND DELIVERED AS A DEED on the date set out at the beginning of this Deed.

SCHEDULE 1
THE CHARGORS

Company Name	Registered Number	Registered Office
Benmore Developments (N.I.) Limited	NI028681	Unit 1 Ground Floor Adelaide Exchange, 24-26 Adelaide Street, Belfast, Antrim, Northern Ireland, BT2 8GD
Oliban Limited	NI641386	7 Quarterlands Lane, Lisburn, Antrim, Northern Ireland, BT27 5GY
JHL2 Ltd	NI671594	Crobane Enterprise Park, 25 Hilltown Road, Newry, Down, Northern Ireland, BT34 2LJ

SCHEDULE 2

FORM OF NOTICE OF ASSIGNMENT

[To be printed on the headed notepaper of the Chargor]

To: **[KH (BALMORAL) LTD]**

Date: []

Dear Sirs,

[DESCRIPTION OF SUBORDINATED DEBT] (THE "SUBORDINATED DEBT") AND [DESCRIPTION OF SUBORDINATED DOCUMENTS] (THE "SUBORDINATED DOCUMENTS")

1. We give you notice that we have entered into a security agreement dated [] in favour of **APEX CORPORATE TRUSTEES (UK) LIMITED** (the "Security Agent") (the "**Security Agreement**").
2. We give you notice that, pursuant to the terms of the Security Agreement, we have assigned (and, to the extent not validly or effectively assigned, we have charged by way of fixed charge) to the Security Agent by way of security all of our rights, title and interest from time to time in, and the full benefit of, the Subordinated Debt and the Subordinated Documents and all rights, title and interest in any amounts payable to us in respect of the Subordinated Debt and the Subordinated Documents.
3. Following the Security Agent's notification to you that the security created by the Security Agreement has become enforceable:-
 - 3.1 all payments to be made to us under or arising in respect of the Subordinated Debt and under the Subordinated Documents should be made to the Security Agent to such bank account as it may specify in writing from time to time;
 - 3.2 all remedies provided for in the Subordinated Documents or available at law or in equity are exercisable by the Security Agent;
 - 3.3 you are authorised and instructed, without further approval from us, to comply with your obligations (including without limitation your payment obligations) in respect of the Subordinated Debt and under the Subordinated Documents in accordance with the written instructions of the Security Agent from time to time (and to hold the money for any such payments to the Security Agent's order pending receipt of written instructions from the Security Agent); and
 - 3.4 subject to paragraph 4 below, you shall allow the Security Agent to perform all the obligations assumed by us in respect of the Subordinated Debt and under the Subordinated Documents.
4. We shall remain liable to perform all our obligations in respect of the Subordinated Debt and under the Subordinated Documents and the Security Agent shall be under no obligation of any kind whatsoever in respect of the Subordinated Debt and the Subordinated Documents.
5. This notice, and any dispute or claim arising out of or in connection with it, shall be governed by and construed in accordance with the laws of Northern Ireland.

Please acknowledge receipt of this notice and your acknowledgement of the matters and instructions set out above within [three] Business Days of receipt by signing, dating and returning the enclosed copy of this letter directly to the Security Agent at [] marked for the attention of [].

Yours faithfully,

for and on behalf of
[CHARGOR]

Acknowledged:

.....
For and on behalf of
KH (BALMORAL) LTD

EXECUTION PAGES

THE CHARGORS

EXECUTED as a Deed by)
BENMORE DEVELOPMENTS (N.I.) LIMITED)
acting by)

..... Director
a director

in the presence of:

.....
Signature of Witness

.....
Name of Witness

.....
.....

.....
Address

.....
Occupation

Address: Unit 1 Ground Floor Adelaide Exchange, 24-26 Adelaide
Street, Belfast, Antrim, Northern Ireland, BT2 8GD

Attention: The Directors

Email kevin@benmoregroup.com

EXECUTED as a Deed by)
OLIBAN LIMITED)
acting by)

..... Director
a director

in the presence of:

.....
Signature of Witness

.....
Name of Witness

.....
.....

.....
Address

.....
Occupation

Address: 7 Quarterlands Lane, Lisburn, Antrim, Northern Ireland,
BT27 5GY

Attention: The Directors

Email david@aoliban-ni.com

EXECUTED as a Deed by
JHL2 LTD
acting by

)
)
)

.....
a director

Director

in the presence of:

.....
Signature of Witness

.....
Name of Witness

.....
Address

.....
Occupation

Address:

Crobane Enterprise Park, 25 Hilltown Road, Newry,
Down, Northern Ireland, BT34 2LJ

Attention:

The Directors

Email:

williamdonnelly@richmondmarketing.co.uk

THE SECURITY AGENT

SIGNED for and on behalf of
APEX CORPORATE TRUSTEES (UK)
LIMITED



Mark Bennet

Address:

6th Floor, 125 London Wall, London, EC2Y 5AS