

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Debenture

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Sunseeker International Limited		06/01/2010	CORPORATION: UNITED KINGDOM

RECEIVING PARTY DATA

Name:	Haymarket Financial LLP, as Security Agent
Street Address:	86 Jermyn Street
City:	London
State/Country:	UNITED KINGDOM
Postal Code:	SWY 1 6JD
Entity Type:	England and Wales limited liability partnership:

PROPERTY NUMBERS Total: 6

Property Type	Number	Word Mark
Registration Number:	2866781	
Registration Number:	2485189	MANHATTAN
Registration Number:	1633948	SUNSEEKER
Registration Number:	2688284	SUNSEEKER
Registration Number:	2758134	SUNSEEKER YACHT
Registration Number:	2630947	SUPERHAWK

CORRESPONDENCE DATA

Fax Number: (212)813-5901
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 212-813-5900
 Email: anicolescu@fzlj.com
 Correspondent Name: LAWRENCE E. APOLZON
 Address Line 1: FROSS ZELNICK LEHRMAN & ZISSU, P.C.
 Address Line 2: 866 UNITED NATIONS PLAZA

CH \$165.00 2866781

Address Line 4: NEW YORK, NEW YORK 10017

ATTORNEY DOCKET NUMBER:

SSEK 1004142

DOMESTIC REPRESENTATIVE

Name:

Address Line 1:

Address Line 2:

Address Line 3:

Address Line 4:

NAME OF SUBMITTER:

Lawrence E. Apolzon

Signature:

/anca nicolescu/

Date:

06/09/2010

Total Attachments: 44

source=SECURITY INTEREST SUNSEEKER (F0635236)#page1.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page2.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page3.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page4.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page5.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page6.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page7.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page8.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page9.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page10.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page11.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page12.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page13.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page14.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page15.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page16.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page17.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page18.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page19.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page20.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page21.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page22.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page23.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page24.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page25.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page26.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page27.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page28.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page29.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page30.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page31.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page32.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page33.tif

source=SECURITY INTEREST SUNSEEKER (F0635236)#page34.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page35.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page36.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page37.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page38.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page39.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page40.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page41.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page42.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page43.tif
source=SECURITY INTEREST SUNSEEKER (F0635236)#page44.tif

Debenture

REDACTED

Dated 1 June 2010

The Companies listed in Schedule 1 as Chargors (1)
Haymarket Financial LLP as Security Agent (2)

Final

sjberwin 

TABLE OF CONTENTS

1	Definitions	1
2	Interpretation	3
3	Undertaking to Pay	4
4	Security	4
5	General Undertakings	8
6	Further Assurance	9
7	Real Property	9
8	Investments	10
9	Chattels	12
10	Accounts	12
11	Monetary Claims	14
12	Contracts	14
13	Insurances	15
14	Intellectual Property	15
15	Enforcement	15
16	Order of Application	19
17	Liability of Security Agent	19
18	Saving Provisions	19
19	Discharge of Security	21
20	Protection of Purchasers and Power of Attorney	22
21	Preservation of Security	22
22	Delegation	22
23	Set-Off	22
24	New Accounts	22
25	Currency	23
26	Payments to be made without Deduction	23
27	Certificates	23
28	Assignment and Transfer	23
29	Indemnity	24
30	Expenses	24
31	Miscellaneous	24
32	Communications	25
33	Governing Law and Jurisdiction	26
	SCHEDULE 1 - The Chargors	28
	SCHEDULE 2 - Account Details	29
	SCHEDULE 3 - Form of Notice to Account Bank	30
	Part 1: Notice to Account Bank	30
	Part 2: Form of Acknowledgement	32
	SCHEDULE 4 - Contracts	33
	SCHEDULE 5 - Form of Notice to Counterparty	34
	Part 1: Notice to Counterparty	34
	Part 2: Form of Acknowledgement	36
	SCHEDULE 6 - Insurance Policies	37
	SCHEDULE 7 - Form of Notice to Insurer	38
	Part 1: Notice to Insurer	38
	Part 2: Form of Acknowledgement	40
	SCHEDULE 8 - Initial Shares	41
	SCHEDULE 9 - Specific Intellectual Property Rights	42
	SCHEDULE 10 - The Properties	48

THIS DEED is dated 1 June ~~May~~ 2010 and made between:

- (1) THE COMPANIES LISTED IN SCHEDULE 1 as chargors (each of them a "Chargor" and together the "Chargors"); and
- (2) HAYMARKET FINANCIAL LLP as security agent and trustee for the Secured Parties (as defined in the Intercreditor Agreement referred to below) (the "Security Agent").

IT IS AGREED as follows:

1 Definitions

In this deed:

"Account Bank" means each bank, financial institution or other person with whom an Account is maintained.

"Accounts" means all accounts with any Account Bank other than Fixed Charge Accounts at any time owned or operated by each Chargor as renumbered or redesignated from time to time, each replacement account or sub-account relating to any of them, all money from time to time standing to the credit of those accounts and all interest accruing in relation to them.

"Administrator" means any administrator appointed in respect of each Chargor whether by the Security Agent, a court or otherwise.

"Agent" has the meaning given to that term in the Facility Agreement.

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

"Chattels" means all plant, machinery, vehicles, tools, computers, equipment, furniture and other chattels and any renewals or replacements of them together with the benefit of all warranties, guarantees, maintenance contracts, consents and licences relating to them.

"Contracts" means each of the contracts described in *Schedule 4 (Contracts)* or in any Deed of Accession and any other agreement designated in writing as a Contract by the Security Agent and the Chargor all guarantees, warranties and indemnities issued in relation to any Contract.

"Declared Default" means an Event of Default which has resulted in the Agent giving any direction or exercising any of its rights under Clause 24.21 of the Facility Agreement.

"Discharge Date" means the date on which all the Secured Obligations have been irrevocably discharged in full and no further Secured Obligations are capable of arising.

"Distributions" means all dividends and distributions of any kind, interest and any other income received or receivable in relation to any of the Shares.

"Event of Default" has the meaning given to that term in the Facility Agreement.

"Facility Agreement" means a facilities agreement dated May 2010, entered into between, inter alios, Portofino Yacht Holdings Limited as Parent, Sunseeker International (Holdings) Limited as Borrower, the companies listed therein as Original Guarantors, Haymarket Financial Luxembourg 3 S.ARL and Macquarie Bank Limited as Arrangers, the financial institutional listed therein as Original Lenders, Haymarket Financial LLP as Security Agent and as Agent as amended, supplemented or novated from time to time.

"Finance Documents" has the meaning given to that term in the Facility Agreement.

"Finance Parties" has the meaning given to that term in the Facility Agreement.

"Fixed Charge Accounts" means the Mandatory Prepayment Account and the Holding Account as renumbered or redesignated from time to time, each replacement account or sub-account relating to any of them, all money from time to time standing to the credit of those accounts and all interest accruing in relation to them.

"Initial Shares" means those shares, stocks, debentures, bonds, warrants or other securities or investments described in *Schedule 8 (Initial Shares)* or in any Deed of Accession.

"Intellectual Property" has the meaning given to it in the Facility Agreement.

"Intercreditor Agreement" means the intercreditor agreement dated the same date as the Facility Agreement and made between, among others, the Parent, the Company, the Debtors (as defined in the Intercreditor Agreement), Haymarket Financial LLP as Security Agent, Haymarket Financial LLP as Agent, the Lenders (as Senior Lenders), the Arrangers (as Senior Arrangers), the Hedge Counterparties (each as defined in the Intercreditor Agreement), the Loan Note Holders, Robert Braithwaite and the Intra-Group Lenders as Subordinated Creditors all as defined in the Intercreditor Agreement).

"Investments" means the Shares and Distributions.

"LPA" means the Law of Property Act 1925.

"Material Adverse Effect" has the meaning given to it in the Facility Agreement.

"Material Property" means any freehold property with a current market value of greater than £50,000 and any leasehold property with rent in excess of £50,000 per annum.

"Monetary Claims" means all book and other debts and monetary claims of any nature and however arising at any time owing to each Chargor or in which it has an interest together with the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to the same.

"Policies" means each of the insurance policies described in *Schedule 6 (Insurance Policies)* and each other insurance policy taken out at any time by or on behalf of each Chargor or in respect of which it has an interest or a right to claim but excluding any third party liability or public liability insurance and any directors and officers insurance.

"Real Property" means:

- (a) any freehold leasehold or immovable property set out in Schedule 10 (The Properties) of this Deed;
- (b) any freehold, leasehold or immovable property owned by each Chargor or in which it has an interest (and it is not identified in Schedule 10 (The Properties) of this Deed);
- (c) any buildings, erections, fixtures, fittings and fixed plant and machinery from time to time situated on or forming part of that property owned by each Chargor; and
- (d) the benefit of any covenants for title given to or entered into by any predecessor in title of each Chargor in respect of that property and any money paid in relation to those covenants.

"Receiver" means an administrative receiver, receiver and manager or a receiver, in each case appointed under this deed.

"Regulations" means the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226).

"Related Rights" means, as regards any Secured Asset, all present and future:

- (a) money and proceeds of any nature paid or payable in relation to the Secured Asset, including sale proceeds and money paid by way of damages, award or judgment made in connection with that Secured Asset; and
- (b) all rights and assets of any nature attaching to, deriving from or exercisable as a result of each Chargor's interest in or ownership or operation of the Secured Asset.

"**Relevant Currency**" means, in relation to each of the Secured Obligations, the currency in which it is from time to time denominated.

"**Secured Assets**" means the rights, interests and assets from time to time subject, or expressed to be subject, to the Security created or expressed to be created by this deed or any document entered into pursuant or supplemental to this deed.

"**Secured Obligations**" means all the Liabilities (as defined in the Intercreditor Agreement) and all other present and future obligations at any time due, owing or incurred by any member of the Group and by each Chargor to any Secured Party (as defined in the Intercreditor Agreement) under the Finance Documents, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity or except for any obligation or liability which, if it were so included, would cause the Security to be unlawful or prohibited by any applicable law.

"**Security**" has the meaning given to that term in the Facility Agreement.

"**Shares**" means:

- (a) the Initial Shares and all shares, stocks, debentures, bonds, warrants, interests in collective investment schemes and all other securities and investments of any kind whatsoever (whether in certificated or uncertificated form) at any time owned by each Chargor or in which it has an interest;
- (b) shares, stocks, debentures, bonds, warrants, securities, investments, money or other assets arising by way of conversion, exchange, substitution, rights issue, redemption, bonus, preference, option or otherwise in relation to any of the assets referred to in (a);
- (c) rights to subscribe for, purchase or otherwise acquire any of the assets referred to in (a) through options, warrants or otherwise.

"**Tax**" has the meaning given to that term in the Facility Agreement.

2 Interpretation

- (a) Capitalised terms defined in the Facility Agreement have, unless otherwise defined in this deed, the same meaning in this deed.
- (b) Unless a contrary indication appears, a reference in this deed to:
 - (i) "**Secured Assets**" or "**Secured Obligations**" is deemed to include a reference to any part of them;
 - (ii) "**Chargor**", "**Security Agent**" or "**Finance Parties**" or any other person is deemed to include a reference to its or their successors in title, permitted assigns and transferees;
 - (iii) any document or agreement (including a reference to the Facility Agreement, any of the Finance Documents or this deed) is deemed to include a reference to that document or agreement as amended, novated, supplemented, extended or restated from time to time;
 - (iv) a provision of a statute, rule or regulation is deemed to include a reference to that provision as amended or re-enacted from time to time;

- (v) the singular is deemed to include the plural and vice versa; and
 - (vi) a "person" is deemed to include a reference to any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality).
- (c) The title of any provision of this deed will not affect the meaning of that or any other provision.
 - (d) Any undertaking given by each Chargor under this deed remains in force until the Discharge Date.
 - (e) The terms of the other Finance Documents and of any side letters between any parties in relation to any Finance Document (as the case may be) are incorporated in this deed to the extent required to ensure that any purported disposition of any freehold or leasehold property contained in this deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
 - (f) If the Security Agent considers that an amount paid to any Finance Party under the Facility Agreement or any other Finance Document or in relation to any Liability is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this deed.
 - (g) Unless the context otherwise requires, a reference to a Secured Asset includes:
 - (i) any part of that Secured Asset;
 - (ii) any present and future assets of that type; and
 - (iii) all Related Rights relating to that Secured Asset.

3 Undertaking to Pay

Subject to any limits on liability specifically recorded in the Finance Documents each Chargor undertakes to pay all the Secured Obligations when due in accordance with the terms of the Finance Documents or, if the relevant terms do not specify a time for payment, immediately on demand by the Security Agent.

4 Security

4.1 General

- (a) All the security created under this deed:
 - (i) is created in favour of the Security Agent;
 - (ii) is security for the payment of all the Secured Obligations; and
 - (iii) is granted with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1989.
- (b) If the rights of each Chargor under a document cannot be charged or assigned without the consent of a party to that document:
 - (i) the Chargor shall notify the Security Agent as soon as is reasonably practicable;

- (ii) until the consent is obtained, this deed will secure all amounts of any nature which the Chargor may now or in future receive under or in connection with that document but exclude rights under the document itself;
- (iii) unless the Security Agent otherwise requires, the Chargor shall use all reasonable endeavours to obtain the consent of the relevant party to rights under that document being secured in accordance with this deed; and
- (iv) the Chargor shall promptly supply the Security Agent with a copy of any consent obtained by it.

(c) The Security Agent holds the benefit of this deed on trust for the Secured Creditors.

4.2 Land

Each Chargor charges:

- (a) by way of a first legal mortgage, all the Real Property and all rights under any licence or other agreement or document which gives each Chargor a right to occupy or use Real Property; and
- (b) (to the extent that they are not the subject of a mortgage under paragraph (a) above) by way of first fixed charge, all the Real Property and all rights under any licence or other agreement or document which gives each Chargor a right to occupy or use Real Property.

4.3 Investments

Each Chargor charges by way of a first fixed charge all the Shares and Distributions.

4.4 Each Chargor, with full title guarantee and as continuing security for the discharge of all the Secured Obligations, charges all its present and future rights, title and interest in or in connection with the Shares and the Distributions in favour of the Security Agent by way of first priority legal mortgage.

4.5 Each Chargor charges by way of first equitable mortgage, all Investments.

4.6 Conversion of Equitable Mortgage into Legal Mortgage

If:

- (a) A Declared Default has occurred; or
- (b) The Security Agent (acting reasonably) is of the view that any legal process or execution is being enforced against any Shares and Investments or that any Shares and/or any Investments are in danger of being seized or otherwise in jeopardy,

the Security Agent may, by notice to each Chargor, request that each Chargor convert the equitable mortgage created under Clause 4.5 of this deed into a legal mortgage as regards those Shares and those Investments which the Security Agent specifies in the notice (the "**Specified Shares**" and/or the "**Specified Investments**", as the case may be).

Each Chargor shall, at its own expense, promptly execute such deeds and other agreements and otherwise take whatever action the Security Agent may require (acting reasonably) in order to perfect and/or protect the security created (or intended to be created) pursuant to this Clause over the Specified Shares and/or the Specified Investments.

4.7 Chattels

Each Chargor charges by way of a first fixed charge all the Chattels owned by it and its interest in any Chattels in its possession.

4.8 Accounts

Each Chargor charges by way of a first fixed charge all its rights and interest in and to the Fixed Charge Accounts.

4.9 Monetary Claims

Each Chargor charges by way of a first fixed charge all the Monetary Claims.

4.10 Contracts

Each Chargor assigns absolutely, by way of security, subject to reassignment by the Security Agent in accordance with Clause 19 (*Discharge of Security*), all its rights in respect of the Contracts provided that if any of those rights are not effectively assigned by this sub-clause, the assignment shall instead operate as an assignment of all sums, of any nature, which the Chargor may derive from or be awarded or entitled to in respect of those rights whether by way of charges, compensation, remuneration, profit, rent or income or otherwise and that on payment or discharge in full of the Secured Obligations (in the opinion of the Security Agent) the Security Agent will at the cost of the relevant Chargor re-assign the relevant rights, title and interest in the Contracts to that Chargor.

4.11 Insurances

- (a) each Chargor assigns absolutely, by way of security, all amounts payable to it under or in connection with the Policies and all of its rights in connection with those amounts, subject to reassignment by the Security Agent in accordance with Clause 19 (*Discharge of Security*).
- (b) if any amount or right is not effectively assigned under paragraph (a) above, the Chargor charges by way of a first fixed charge the relevant amounts and rights described in paragraph (a) above.

4.12 Intellectual Property

Each Chargor charges by way of first fixed charge all its rights in its Intellectual Property.

4.13 Miscellaneous

Each Chargor charges by way of first fixed charge:

- (a) any beneficial interest, claim or entitlement it has in any pension fund;
- (b) all rights to recover any value added tax on any supplies made to it relating to any Secured Asset and any sums so recovered;
- (c) its goodwill and uncalled capital; and
- (d) the benefit of any Authorisation held in connection with its business or use of any Secured Asset and the right to recover and receive compensation payable in relation to any Authorisation.

4.14 Floating charge

- (a) Each Chargor charges by way of a first floating charge all its assets not at any time otherwise effectively mortgaged, charged or assigned under this deed.
- (b) Subject as set out below, the floating charge created by this sub-clause will
 - (i) automatically and immediately and without notice convert into a fixed charge over all the Chargor's assets if:

- (A) an administrator is appointed in relation to the Chargor or the Security Agent receives notice of any person's intention to appoint an administrator; or
 - (B) a petition is presented for the appointment of an examiner to the Chargor; or
 - (C) the members of the Chargor convene to consider a resolution regarding the winding up, examination, dissolution or reorganisation of the Chargor; and
- (ii) if and to the extent specified in a notice to the Chargor from the Security Agent convert into a fixed charge over the Chargor's assets if:
- (A) an Event of Default and is continuing has occurred;
 - (B) the Chargor creates, or attempts to create, any Security over any of its assets or disposes or attempts to dispose of any of its assets other than as permitted by the Facility Agreement;
 - (C) the Security Agent (acting reasonably) is of the view that any Secured Asset to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or otherwise to be in jeopardy;
 - (D) the Chargor is presented with a petition for its compulsory winding up.
- (c) The floating charge created by this sub-clause may not be converted into a fixed charge solely by reason of:
- (i) the obtaining of a moratorium; or
 - (ii) anything done with a view to obtaining a moratorium, under the Insolvency Act 2000.
- (d) The floating charge created by this sub-clause is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

4.15 Reconversion

Where the floating charge created by Clause 4.14(a) (Floating Charge) crystallised under Clause 4.14(b) (Floating Charge), it may be reconverted into a floating charge by written notice given at any time by the Security Agent to each Chargor, in respect of the Securing Assets specified in such notice.

4.16 Leases Restricting Charging

- (a) There shall be excluded from the charge created by clause 4.2 (Land) and from the operation of clause 6 (Further Assurance) any leasehold property held by a Chargor under a lease which either precludes absolutely or conditionally (including requiring the consent of any third party) that Chargor from creating any charge over its leasehold interest in that property (each an "Excluded Property") until the relevant condition or waiver has been satisfied or obtained.
- (b) For each Excluded Property, each relevant Chargor undertakes to apply for the relevant consent or waiver of prohibition or condition within fourteen days of the date of this deed and, in respect of each Excluded Property which provides that the relevant third party will not unreasonably withhold its consent to charging, to use all reasonable endeavours to

obtain that consent as soon as possible and to keep the Security Agent informed of the progress of its negotiations.

- (c) Forthwith upon receipt of the relevant waiver or consent, the relevant formerly Excluded Property shall stand charged to the Security Agent under clause 4.2 (Land). If required by the Security Agent, at any time following receipt of that waiver or consent, the relevant Chargor will forthwith execute a valid fixed charge or legal assignment in such form as the Security Agent shall reasonably require.

4.17 Intellectual Property Restricting Charging

- (a) There shall be excluded from the charge created by clause 4.12 (Intellectual Property) and from the operation of clause 6 (Further Assurance) any Intellectual Property in which a Chargor has an interest under any licence or other agreement which either precludes absolutely or conditionally (including requiring the consent of any third party) that Chargor from creating any charge over its interest in that Intellectual Property (each an "**Excluded Intellectual Property**") until the relevant condition or waiver has been satisfied or obtained.
- (b) For each Excluded Intellectual Property, each relevant Chargor undertakes to apply for the relevant consent or waiver of prohibition or condition within fourteen days of the date of this deed and, in respect of any licence or agreement which provides that the relevant third party will not unreasonably withhold its consent to charging, to use its best endeavours to obtain such consent as soon as possible and to keep the Security Agent informed of the progress of its negotiations.
- (c) Forthwith upon receipt of the relevant waiver or consent, the relevant formerly Excluded Intellectual Property shall stand charged to the Security Agent under clause 4.12 (Intellectual Property). If required by the Security Agent, at any time following receipt of that waiver or consent, the relevant Chargor will forthwith execute a valid fixed charge or legal assignment in such form as the Security Agent shall reasonably require.

5 General Undertakings

5.1 Security

Each Chargor shall not create or permit to subsist any Security or Quasi-Security over the Secured Assets other than pursuant to this deed or as permitted by the Facility Agreement.

5.2 Disposal

Each Chargor shall not enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer, assign or otherwise dispose of any of the Secured Assets, save as permitted by the Facility Agreement.

5.3 Other obligations

Each Chargor shall comply in all respects with all laws and regulations relating to the Secured Assets and with all conditions and obligations assumed by it in any agreement relating to any of the Secured Assets if failure to comply has or is reasonably likely to have a Material Adverse Effect.

5.4 Rights relating to Secured Assets

Each Chargor shall not:

- (a) take any action (or permit any action to be taken) which results or could result in any of its rights relating to any Secured Asset being impaired; or

- (b) do, or permit to be done, anything which could prejudice the Security constituted or expressed to be constituted by this deed,

in each case save as permitted by the Facility Agreement.

6 Further Assurance

Each Chargor shall promptly do whatever:

- (a) the Security Agent or any Receiver requires subject to Agreed Security Principles, to create, perfect or protect the Security constituted or expressed or intended to be constituted by this deed or to create and perfect equivalent security over any of its assets located outside England and Wales or the priority of that Security [acting reasonably]; or
- (b) the Security Agent or any Receiver requires subject to Agreed Security Principles;
- (c) the Security Agent or any Receiver requires at any time after this Security is enforceable to facilitate the realisation of the Secured Assets,

including executing or re-executing any transfer, conveyance, charge, assignment or assurance in relation to the Secured Assets (whether in favour of the Security Agent or its nominee or otherwise), making any registration and giving any notice, order or direction.

7 Real Property

7.1 Acquisitions

- (a) If each Chargor acquires any Material Property after the date of this deed it shall:
 - (i) notify the Security Agent as soon as is practicable;
 - (ii) within 10 Business Days request by the Security Agent and at the cost of the Chargor, execute and deliver to the Security Agent a legal mortgage in favour of the Security Agent as trustee for the Finance Parties, in any form which the Security Agent may require;
 - (iii) if the title to that freehold, leasehold or commonhold property is registered at the Land Registry or required to be so registered, give the Land Registry written notice of this deed; and
 - (iv) if applicable, ensure that details of this deed are correctly noted in the Register of Title against that title at the Land Registry.
- (b) If the consent of the landlord in whom the reversion of a lease is vested is required for the Chargor to execute a legal mortgage over it, the Chargor will not be required to perform that obligation unless and until it has obtained the landlord's consent. The Chargor shall immediately request the relevant landlord's consent and shall use its reasonable endeavours to obtain that consent within 14 days of making the request.

7.2 Notices

Each Chargor shall, within seven days after the receipt by it of any application, requirement, order or notice served or given by any public or local or any other authority with respect to the Real Property or Material Property:

- (a) deliver a copy to the Security Agent; and
- (b) promptly after the receipt inform the Security Agent of the reasonable steps taken or proposed to be taken to comply with the relevant requirement.

7.3 The Land Registry

- (a) Each Chargor consents to a restriction in the following terms being entered on the Register of Title relating to any Real Property registered at the Land Registry:

"No disposition of the registered estate by the proprietor of the registered estate [or by the proprietor of any registered charge] is to be registered without a written consent signed by the proprietor for the time being of the charge dated [] in favour of [*insert name of Security Agent here*] (as [trustee] for the Finance Parties) referred to in the charges register or, if appropriate, signed on such proprietor's behalf by an authorised signatory of [*insert name of Security Agent here*]."

- (b) Each Chargor shall not, without the Security Agent's prior written consent, allow any person other than itself to be registered under the Land Registration Act 2002 as proprietor of any of the Real Property and will not, as regards any Real Property, create or permit to arise any overriding interest within the meaning of the Land Registration Act 2002 or the Land Registration Rules 2003.
- (c) Each Chargor shall promptly make all applications to and filings with the Land Registry which are necessary or desirable under the Land Registration Rules 2003 to protect the Security created by or pursuant to this deed.
- (d) Each Chargor authorises the Security Agent and/or any solicitors or other agent acting on behalf of the Security Agent to complete, execute and deliver on the Chargor's behalf (but at the cost of the Chargor) to the Land Registry any form, document or other information requested by the Land Registry with regard to the applications referred to in this Clause 7.

7.4 Deposit of title deeds

Each Chargor shall immediately deposit with the Security Agent all deeds and documents of title relating to its Real Property and all local land charges, land charges and Land Registry search certificates and similar documents received by it or on its behalf.

8 Investments

8.1 Representations and Warranties

Each Chargor represents and warrants to each Finance Party that:

- (a) it is the sole legal and beneficial owner of the Initial Shares.
- (b) the Initial Shares represent, as at the date of this deed, the entire issued share capital of the companies listed in Schedule 8.
- (c) the Shares are fully paid, validly issued, freely transferable and not subject to any option to purchase or any similar right.
- (d) there are no agreements in force other than any Transaction Document or as permitted by any Transaction Document which provide for the issue or allotment of, or grant any person the right to call for the issue or allotment of, any Shares.

8.2 Deposit of Title Documents

Each Chargor undertakes to deposit with the Security Agent or the Security Agent's nominee:

- (a) on or before execution of this deed, all share certificates or other documents of title relating to the Initial Shares; and

- (b) immediately upon its acquisition of any Investment all share certificates and other documents of title relating to that Investment,

together with pre-stamped stock transfer forms (or other appropriate transfer instruments) signed by the Chargor (or its nominee, where appropriate) as transferor but with details of the transferee, date and consideration left blank, on the basis that the Security Agent may hold all those certificates, forms and documents until the Discharge Date. The Security Agent is entitled at any time following a Declared Default to complete the stock transfer forms (or other transfer instruments) on behalf of the Chargor in favour of the Security Agent or its nominee, using the power of attorney contained in Clause 20.2 (*Power of attorney*).

8.3 Voting and Distributions

- (a) Voting and other rights prior to an Event of Default

Subject to Clause 8.3(b) (*Voting and other rights following an Event of Default*), the Chargor is entitled to exercise or direct the exercise of the voting and other rights attached to any Investment as it sees fit provided that:

- (i) it does so for a purpose not inconsistent with its obligations under any Finance Document; and
- (ii) the exercise or failure to exercise those rights does not have an adverse effect on the value of the Investments and does not otherwise prejudice the Security Agent's interests under this deed.

The Chargor indemnifies the Security Agent against any loss or liability incurred by it as a consequence of its acting in respect of any Investment on the direction of the Chargor.

- (b) Voting and other rights following an Event of Default

If an Event of Default is continuing:

- (i) the Security Agent will be entitled to exercise or direct the exercise of the voting and other rights attached to any Investment as it sees fit;
- (ii) the Chargor shall comply, or procure compliance with, any directions of the Security Agent in relation to the exercise of those rights and shall promptly execute and deliver to the Security Agent all forms of proxy as the Security Agent may require in connection with the exercise of those rights; and
- (iii) the Security Agent shall have the right:
 - (A) to appoint and maintain in office two persons as the Security Agent may from time to time nominate as directors of the relevant Chargor (and as a member of each and any committee of the Board) and to remove any director so appointed and, upon his removal whether by the Security Agent) or otherwise, to appoint another director in his place; and
 - (B) to appoint a non-executive independent Chairman.

The Chargor appoints the Security Agent or its nominee as its proxy to exercise all voting rights in respect of any Investment at any time after an Event of Default is continuing.

Appointment and removal of a director of a Chargor shall be by written notice to the relevant Chargor (which shall take effect on delivery at its registered office) or at any meeting of the Board or committee of the Board.

(c) **Distributions**

Provided no Declared Default has occurred, the Chargor will be entitled to receive all Distributions. Following a Declared Default, all Distributions shall be paid or transferred to the Security Agent (or to its order) and any Distributions received by the Chargor shall be held by the Chargor on trust for the Security Agent and immediately paid by it to the Security Agent or to any nominee designated by the Security Agent. The Security Agent will be entitled to apply those Distributions in such manner as it sees fit.

8.4 **Nominee shareholders**

If any Investment is not held in the Chargor's name (other than as a result of the operation of this deed) the Chargor shall procure the prompt delivery to the Security Agent of an irrevocable power of attorney, expressed to be given by way of security and executed as a deed, by the person in whose name that Investment is held. That power of attorney shall appoint the Security Agent and every Receiver as the attorney of the holder in relation to that Investment and shall be in a form approved by the Security Agent and for the avoidance of doubt any such power of attorney shall be applied in accordance with the terms of this deed.

8.5 **Calls**

Each Chargor shall pay all calls and other payments due in relation to the Investments so long as such is permitted by the Facility Agreement. If the Chargor fails to do so, the Security Agent may pay those calls or other payments on the Chargor's behalf and the Chargor shall immediately on demand reimburse the Security Agent for any such payment.

8.6 **Restrictions**

Each Chargor shall not vary or agree to any variation in voting rights attaching to the Shares and shall not cause or permit any of the Shares to be consolidated, sub-divided or converted that would have a material detrimental impact on the Security created by this Deed without the Security Agent's prior written consent.

9 Chattels

Each Chargor shall keep all its Chattels in good working order and condition (ordinary wear and tear excepted).

10 Accounts

10.1 **Notification**

Except as regards any Account maintained with the Security Agent or any Account specified in *Schedule 2* (Account Details), the Chargor undertakes to promptly deliver to the Security Agent details of each Account maintained by the Chargor promptly upon creating that Account and to advise the Security Agent immediately of any redesignation or change in account details affecting any Account.

10.2 **Security Agent statements**

Each Chargor shall, as soon as practicable upon request by the Security Agent (acting reasonably), supply the Security Agent with copies of all mandate letters, and other agreements relating to the Accounts.

10.3 **Changes to/closure of the Accounts**

Each Chargor shall not, without the Security Agent's prior written consent, permit or agree to any variation of the terms and conditions relating to any Account that would have a material detrimental

impact on the Lenders security or rights under the Finance Documents or close any Fixed Charge Account.

10.4 Restrictions on withdrawal

- (a) Notwithstanding any term to the contrary relating to any Account, each Chargor shall not make any withdrawal or transfer from any Fixed Charge Account other than as permitted pursuant to the Facility Agreement without the Security Agent's prior written consent.
- (b) The Security Agent:
 - (i) has sole signing rights in respect of Fixed Charge Accounts;
 - (ii) may withdraw amounts standing to the credit of a Fixed Charge Account.
- (c) Prior to the occurrence of a Declared Default, each Chargor shall be entitled to withdraw or transfer any sum standing to the credit of any Account other than a Fixed Charge Account, subject to the terms of the Facility Agreement. Following a Declared of Default is continuing, each Chargor shall not be entitled to make any such withdrawal or transfer without the Security Agent's prior written consent.

10.5 Release from security

Amounts permitted to be withdrawn or transferred from the Accounts pursuant to this deed shall, upon such withdrawal or transfer, be released from the Security constituted by this deed.

10.6 Application

Subject to the terms of the Facility Agreement, the Security Agent is entitled at any time or times without notice (both before and after demand) to apply or transfer any amount standing to the credit of any Fixed Charge Account in or towards payment of the Secured Obligations without Break Costs.

10.7 Notice to Account Banks

- (a) Each Chargor shall in respect of each Fixed Charge Account immediately (a) upon execution of this deed, any Deed of Accession or change in Account Bank serve a notice of charge in the form of Part 1 of *Schedule 3 (Form of Notice to Account Bank)* on each Account Bank and (b) on any relevant Account Bank upon opening any Fixed Charge Account after the date of this deed and use its reasonable endeavours to procure that each Account Bank acknowledges that notice by signing and returning to the Security Agent a letter of acknowledgement substantially in the form of Part 2 of *Schedule 3 (Form of Notice to Account Bank)* within 14 days of the date of this deed or, if later, the date of creation of the relevant Fixed Charge Account. Any instructions contained in a notice of charge sent by the Chargor pursuant to this Clause may not be revoked or amended without the Security Agent's prior written consent. The execution of this deed by the parties to this deed constitutes notice by the Chargor to the Security Agent of the charge created by this deed over an Fixed Charge Account opened by each Chargor with the Security Agent.
- (b) In respect of any Account, each Chargor will at any time whilst an Event of Default is continuing upon request by the Agent in its absolute discretion enter into a fixed charge in respect of such account and give notice to the relevant Account Bank of such charge.

10.8 Time deposits

If the balance of any Account constitutes a time deposit then, subject to any contrary instructions from the Security Agent, that time deposit shall be successively redeposited for such periods and on such terms as may from time to time be agreed between the Security Agent and each Chargor

in writing (failing which agreement, for such periods and on such terms as the Security Agent may in its discretion decide).

11 Monetary Claims

Assignment

Each Chargor shall, at any time whilst an Event of Default is continuing, at the Security Agent's request, execute a legal assignment of the Monetary Claims in favour of the Security Agent on such terms as the Security Agent may, acting reasonably, agree and will sign and deliver written notice of that assignment, in a form acceptable to the Security Agent, to each debtor which owes or may owe a Monetary Claim and will use all reasonable endeavours to procure that the notice is duly acknowledged by the debtors concerned in accordance with the terms of that assignment.

12 Contracts

12.1 Representations and Warranties

Each Chargor represents and warrants to each Finance Party that:

- (a) the Chargor is not in default, nor, so far as it is aware, is any counterparty to a Contract in default, under any Contract and all payments due to the Chargor from any party under any Contract can be made without withholding or deduction on account of Tax; and
- (b) there is no prohibition on assignment in any Contract.

12.2 Notices of assignment

Each Chargor shall immediately upon execution of this deed and following the execution of a Deed of Accession or designation of any Contract as a Contract serve a notice, substantially in the form of Part 1 of *Schedule 5 (Form of Notice to Counterparty)*, on each counterparty to each Contract and use reasonable endeavours to procure that each such counterparty acknowledges that notice by signing and returning to the Security Agent a notice substantially in the form of Part 2 of *Schedule 5 (Form of Notice to Counterparty)* within 14 days of the date of this deed, Deed of Accession or designation or, if later, the date of the relevant Contract. Any instructions contained in a notice sent to a counterparty pursuant to this Clause may not be revoked or amended without the Security Agent's prior written consent.

12.3 Preservation and enforcement of rights

Each Chargor shall:

- (a) perform all its obligations and diligently enforce all its rights under the Contracts and take all action necessary to preserve those rights (including by way of legal or arbitration proceedings); and
- (b) inform the Security Agent immediately if it serves notice of default, or commences any legal proceeding, or receives notice of default or of the initiation of any legal proceeding in relation to any Contract.

12.4 Obligations

Notwithstanding the operation of Clause 4.10 (*Contracts*), the Chargor is and shall remain liable under any Contract to which it is a party to perform all its obligations under that Contract and the Security Agent shall not be, or be deemed to be, under any obligation or liability under or in connection with any Contract by reason of this deed or the exercise by the Security Agent of any rights, powers or remedies under this deed.

13 Insurances

13.1 Notices of assignment

Each Chargor shall immediately upon execution of this deed serve a notice, any Deed of Accession or on entry into of any policy of insurance, substantially in the form of Part 1 of *Schedule 7 (Form of Notice to Insurer)*, on each other party to each Policy and use its reasonable endeavours to procure that each such party acknowledges that notice by signing and returning to the Security Agent a letter of undertaking substantially in the form of Part 2 of *Schedule 7 (Form of Notice to Insurer)* within 14 days of the date of this deed or, if later, the date of entry into of the relevant Policy. Any instructions contained in any notice sent by the Chargor pursuant to this Clause may not be revoked or amended without the Security Agent's prior written consent.

13.2 Preservation and enforcement of rights

Each Chargor shall:

- (a) perform all its obligations; pay all premiums and diligently enforce all its rights under the Policies and take all action necessary to keep the Policies in full force and effect and otherwise preserve its rights under the Policies (including by way of legal or arbitration proceedings);
- (b) inform the Security Agent immediately if it commences any legal proceeding, or receives notice of the initiation of any legal proceeding, in relation to any Policy or if it becomes aware of any Policy becoming void or voidable in whole or in part; and
- (c) hold on trust for the Security Agent any payment received by it under or in respect of the Insurances unless otherwise provided for in the Finance Documents.

13.3 Copy documents

Each Chargor shall supply the Security Agent with (a) a copy of each Policy and of each certificate of insurance and cover note relating to each Policy, and (b) with any other information and copies of any other documents relating to the Policies which the Security Agent, or any Receiver may reasonably requests.

14 Intellectual Property

Each Chargor shall represent to the Security Agent that as at the date of this deed or, if later, the date it became a party to this deed, all Intellectual Property which is material to its business is identified in Schedule 9 (Specific Intellectual Property Rights) or in any Schedule to a Deed of Accession.

15 Enforcement

15.1 When enforceable

The Security created by this deed will be immediately enforceable at any time following a Declared Default.

15.2 Statutory powers

- (a) The statutory power of sale, of appointing a receiver and the other statutory powers conferred on mortgagees, receivers or administrative receivers by the LPA and the Insolvency Act 1986 (as the case may be) as varied and extended by this deed will apply to the Security constituted by this deed and will be immediately exercisable at any time after that Security has become enforceable. If there is any ambiguity or conflict between the powers contained in those Acts and those contained in this deed, those contained in this deed will prevail.

- (b) For the purposes of all powers implied by statute, the Secured Obligations are deemed to have become due and payable.
- 15.3 Statutory restrictions

Sections 93 and 103 of the LPA do not apply to this deed.
- 15.4 Appointment of Receiver
 - (a) At any time after this Security becomes enforceable, or if the Chargor so requests, the Security Agent may, in writing signed by any of the Security Agent's officers or managers, appoint any person (or persons) to be a Receiver of all or part of the Secured Assets.
 - (b) Section 109(1) of the LPA does not apply to this deed.
 - (c) The Security Agent is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything else done with a view to obtaining a moratorium) under section 14 of the Insolvency Act.
- 15.5 Appointment of Administrator
 - (a) Subject to the Insolvency Act 1986, at any time after this Security becomes enforceable, or if the Chargor so requests, the Security Agent may appoint one or more qualified persons to be an Administrator of the Chargor, to act independently or together with any other Administrators so appointed.
 - (b) For the purposes of this sub-clause, a "qualified person" is a person qualified to act as an Administrator under the Insolvency Act 1986.
- 15.6 Status, removal and remuneration of Receiver
 - (a) Each Receiver shall be the agent of the Chargor and the Chargor shall be solely responsible for his acts and defaults unless any such default is the direct result of the Receiver's gross negligence or wilful misconduct and for his remuneration and expenses. No Secured Creditor will incur any liability by reason of the appointment of a Receiver. The Chargor shall be solely responsible for all agreements and arrangements made or entered into, or liabilities incurred, by the Receiver.
 - (b) The Security Agent may by notice from time to time, for any reason, remove any Receiver appointed by it and, if it deems it appropriate, appoint a substitute Receiver.
 - (c) The Security Agent may from time to time fix the remuneration of any Receiver appointed by it and the maximum rate specified in section 109(6) of the LPA will not apply.
- 15.7 Relationship with Security Agent

To the fullest extent allowed by law, any right or power conferred by this deed or by law on a Receiver may, after the Security constituted by this deed becomes enforceable, be exercised by the Security Agent in relation to any Secured Asset irrespective of whether or not a Receiver has been appointed.
- 15.8 Powers of Receiver
 - (a) General
 - (i) A Receiver has all of the rights, powers and discretions set out below in this Clause in addition to those conferred on it by any law; this includes:

- (A) in the case of an administrative receiver, all rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986; and
 - (B) otherwise, all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the LPA and the Insolvency Act 1986.
- (ii) 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.
- (b) **Possession**
A Receiver may take immediate possession of, get in and collect any Secured Asset.
- (c) **Carry on Business**
A Receiver may carry on any business of the Chargor in any manner he thinks fit.
- (d) **Employees**
 - (i) A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this deed upon such terms as to remuneration or otherwise as he thinks fit.
 - (ii) A Receiver may discharge any person appointed by the Chargor.
- (e) **Borrow money**
A Receiver may raise and borrow money either unsecured or on the security of any Secured Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which he thinks fit.
- (f) **Sale of assets**
 - (i) A Receiver may sell, exchange, convert into money and realise any Secured Asset by public auction or private contract and generally in any manner and on any terms which he thinks fit.
 - (ii) The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which the Receiver thinks fit.
 - (iii) Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the Chargor.
- (g) **Leases**
A Receiver may let any Secured Asset for any term and at any rent (with or without a premium) which he thinks fit and may accept a surrender of any lease or tenancy of any Secured Asset on any terms which he thinks fit (including the payment of money to a lessee or tenant on a surrender).
- (h) **Compromise**
A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of the Chargor or relating in any way to any Secured Asset.

- (i) Legal actions
A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Secured Asset which he thinks fit.
- (j) Receipts
A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Secured Asset.
- (k) Subsidiaries
A Receiver may form a Subsidiary of the Chargor and transfer to that Subsidiary any Secured Asset.
- (l) Delegation
A Receiver may delegate his power in accordance with this deed.
- (m) Lending
A Receiver may lend money or advance credit to any customer of the Chargor.
- (n) Protection of assets
A Receiver may:
 - (i) effect any repair or insurance and do any other act which the Chargor might do in the ordinary conduct of its business to protect or improve any Secured Asset;
 - (ii) commence and/or complete any building operation; and
 - (iii) apply for and maintain any planning permission, building regulation, approval or any other authorisation,
 in each case as he thinks fit.
- (o) Other Powers
A Receiver may:
 - (i) do all other acts and things which he may consider desirable or necessary for realising any Secured Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this deed or law;
 - (ii) exercise in relation to any Secured Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Secured Asset; and
 - (iii) use the name of the Chargor for any of the above purposes.

15.9 Redemption of prior mortgages

At any time after the Security created by this deed has become enforceable, the Security Agent may redeem any prior Security created in respect of a Secured Asset and/or procure the transfer of the benefit of that Security to itself and/or settle the accounts of the prior mortgagee or encumbrancer. The Chargor shall on demand indemnify the Security Agent for all costs and expenses incurred by the Security Agent in connection with any such redemption and/or transfer, including the amount of any principal or interest paid by the Security Agent.

15.10 If this Security is entered at a time when no amount of the Secured Obligations is due but when such amounts may or will become due, the Security Agent or Receiver may pay the proceeds of any recoveries into such number of suspense accounts as they consider fit.

16 Order of Application

16.1 Application of proceeds

All amounts received or recovered by the Security Agent or any Receiver in exercise of their rights under this deed will, subject to the rights of any creditors having priority be applied in the order provided in Clause 16.2 (*Order of application*).

16.2 Order of application

The order referred to in Clause 16.1 (*Application of proceeds*) is:

- (a) in or towards payment of the costs and losses incurred, and payments made, by and all remuneration due to the Security Agent and/or any Receiver;
- (b) in or towards the payment or discharge of the Secured Obligations in accordance with the Intercreditor Deed; and
- (c) in payment of any surplus to the Chargor or other person entitled to it.

This Clause does not prejudice the right of a Secured Creditor to recover any shortfall from a Chargor.

17 Liability of Security Agent

17.1 Liability

Neither the Security Agent nor any Receiver will (either by reason of taking possession of the Secured Assets or for any other reason and whether as mortgagee in possession or otherwise) be liable to the Chargor or any other person for any costs, losses or liabilities relating to any of the Secured Assets or for any act, default, omission or misconduct of the Security Agent, any Receiver or their respective officers, employees, delegates or sub delegates or agents in relation to the Secured Assets or otherwise unless caused by its or his gross negligence, wilful misconduct or breach of any obligations under the Finance Documents. The Security Agent and each Receiver is entitled to all the rights, powers, privileges and immunities conferred by law on mortgagees and receivers.

17.2 Exoneration

Neither the Security Agent nor any Receiver will have any duty (a) to perform any of the Chargor's obligations or exercise any rights in relation to any Secured Asset, (b) to ensure that any Related Rights are made available or to verify that the correct amount has been received in relation to any Related Right, (c) to take up any offer in relation to any Secured Assets, (d) to give any notification to anyone in relation to any Secured Asset or (e) to take any action to enforce any other person's obligations as regards any Secured Asset.

18 Saving Provisions

18.1 Continuing Security

Subject to Clause 19 (*Discharge of Security*), the Security constituted by this deed is continuing security and will extend to the ultimate balance of the Secured Obligations, regardless of any intermediate payment or discharge in whole or in part.

18.2 Waiver of defences

Neither the obligations of the Chargor under this deed nor the Security constituted by this deed will be affected by any act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this deed or release or prejudice any of that Security (without limitation and whether or not known to the Chargor or the Security Agent) including:

- (a) any time, waiver or consent granted to, or composition with, the Chargor or any other person;
- (b) the release of the Chargor or any other person under the terms of any composition or arrangement;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce any rights against, or Security over assets of, the Chargor or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Chargor or any other person;
- (e) any amendment, novation, supplement, extension, restatement, (however fundamental and whether or not more onerous, or replacement of a Finance Document or any other document or Security including, without limitation, any change in the purpose of, any extension of or increase in any Facility or the addition of a new Facility under the Finance Documents or any other document or security);
- (f) any unenforceability, illegality or invalidity of any Security or of any obligation of any person under any Finance Document or any other document or security; or
- (g) any insolvency or similar proceedings.

18.3 Chargor intent

Without prejudice to the generality of Clause 18.2 (Waiver of defences), each Chargor expressly confirms that it intends that this deed shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

18.4 Immediate recourse

Each Chargor waives any right it may have of first requiring the Security Agent or any other Finance Party to proceed against or enforce any other rights or Security or claim payment from any person before claiming from the Chargor under this deed.

18.5 Appropriations

Until the occurrence of the Discharge Date, the Security Agent may refrain from applying or enforcing any other moneys, Security or rights held or received by the Security Agent in relation to the Secured Obligations, or apply and enforce the same in such manner and order as it sees fit

(whether against the Secured Obligations, or otherwise) and hold in an interest bearing suspense account any money received from the Chargor on account of the Secured Obligations.

18.6 Non-competition

Until the occurrence of the Discharge Date or unless the Security Agent otherwise directs, the Chargor shall not exercise any rights which it may have by reason of performance by it of its obligations under this deed:

- (a) to be indemnified by any person;
- (b) to claim any contribution from any other provider of Security or any guarantor of the Secured Obligations;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any of the Security Agent's rights under the Finance Documents or of any other guarantee, indemnity or Security taken pursuant to, or in connection with, the Secured Obligations by the Security Agent; and/or
- (d) to claim rank, prove or vote as a creditor of any Chargor or its estate in competition with the Security Agent.

If the Chargor receives any benefit, payment or distribution contrary to the terms of this Clause, it shall hold that benefit, payment or distribution (to the extent necessary to enable all amounts which may be or become payable to the Security Agent in connection with the Secured Obligations to be repaid in full) on trust for the Security Agent and shall promptly pay or transfer the same to the Security Agent or to the Security Agent's nominee.

18.7 Tacking

- (a) For the purposes of section 94(1)(c) of the LPA and section 49(3) of the Land Registration Act 2002, the Security Agent confirms on behalf of the Finance Parties that the Finance Parties will comply with their obligations to make further advances under the Facility Agreement subject to the terms of the Finance Documents.
- (b) The Chargor hereby consents to an application being made to the Land Registry to enter the obligation to make further advances on the charges register of any registered land forming part of the Real Estate.

18.8 No conflict

If there is any ambiguity or conflict between this deed and the articles of any Chargor, the terms of this deed shall prevail as between the Chargor as the shareholders and in such event the Chargor as shareholders shall procure such modification to the articles of the relevant Chargor as shall be necessary to enable the Security Agent to enforce its rights in accordance with this deed.

19 Discharge of Security

19.1 Discharge

Subject to Clause 2(f) (*Interpretation*), if the Discharge Date has occurred, the Security Agent will at the request and cost of the Chargor release, reassign or discharge (as appropriate) the Secured Assets from the Security constituted by this deed. Any such release, reassignment or discharge is made without any representation or warranty by the Security Agent.

19.2 Discharge on Disposal

If a Group Company disposes of any other asset to a person which is not a Group Company where that disposal is permitted under the Facility Agreement or with the approval of the Majority Lenders, the Security Agent may at the request and cost of the Parent, release those assets from

the Transaction Security and issue any certificate of non-crystallisation of any floating charge that may, in the absolute discretion of the Security Agent, be considered necessary or desirable.

20 Protection of Purchasers and Power of Attorney

20.1 Protection of purchasers

No purchaser or other person will be obliged or concerned to see or enquire whether the right of the Security Agent or a Receiver to exercise any of the powers conferred by this deed has arisen or become exercisable (nor be concerned with notice to the contrary), whether any amount of the Secured Obligations remains outstanding or as to the application of any amount received by the Security Agent or Receiver, or with the propriety of the exercise or purported exercise of such powers.

20.2 Power of attorney

Each Chargor by way of security irrevocably and severally appoints the Security Agent, each Receiver and each of their respective delegates and sub-delegates as the Chargor's attorney (with full power of substitution and delegation) in the Chargor's name and on the Chargor's behalf and as the Chargor's act and deed to sign or execute all such deeds, instruments and documents and do all such acts and things as it ought to have done or in the reasonable opinion of the Security Agent should have done or any Receiver pursuant to this deed or the exercise of any of their respective powers and each Chargor covenants with the Security Agent and each Receiver to ratify and confirm all such acts or things made, done or executed by that attorney.

21 Preservation of Security

This deed is in addition to any other rights or Security, now and in the future, held by the Security Agent from the Chargor or any other person for the Secured Obligations and will not merge with or prejudice or be prejudiced by any such rights or Security.

22 Delegation

The Security Agent or any Receiver may delegate by power of attorney or in any other manner all or any of the powers, authorities and discretions which are exercisable by it under this deed to any person or persons on such terms (including the power to sub-delegate) as it sees fit. Neither the Security Agent nor any Receiver will have any liability to the Chargor or any other person for any loss or liability arising from any act, default, omission or misconduct by the delegate.

23 Set-Off

Notwithstanding any term to the contrary affecting any of the liabilities concerned, the Security Agent will be entitled to set off any matured obligation of the Chargor to the Security Agent under a Finance Document against any matured obligation of the Security Agent to the Chargor (including by way of setting-off any amount standing to the credit of any Account in or towards payment of the Secured Obligations). The Security Agent may (acting reasonably) for such purposes convert or exchange any currency.

24 New Accounts

If any subsequent charge or other interest affects any Secured Asset, the Security Agent may open a new account with the Chargor. If it does not open a new account, it will nonetheless be treated as if it had done so at the time it received (or was deemed to have received) notice of that charge or other interest. As from that time, all payments made to the Security Agent (whether for its own account or as trustee or otherwise) will be credited (or be treated as being credited) to the new account and will not operate to reduce any Secured Obligations.

25 Currency

25.1 Relevant Currency

Each Chargor's obligation under this deed is to discharge the Secured Obligations in the Relevant Currency.

25.2 Receipt in wrong currency

If at any time the Security Agent receives a payment (including by set-off) referable to any of the Secured Obligations from any source in a currency other than the Relevant Currency, then:

- (a) that payment will take effect as a payment to the Security Agent of the amount in the Relevant Currency which the Security Agent is able to purchase (after deduction of any relevant costs) with the amount of the payment so received in accordance with its usual practice; and
- (b) if such payment is treated by Clause 25.2(a) as a payment of an amount which falls short of the relevant liability of the Chargor expressed in the Relevant Currency, the Chargor as a separate and independent obligation will on demand from time to time indemnify the Security Agent against such shortfall.

26 Payments to be made without Deduction

26.1 No deductions

All sums payable by the Chargor under this deed shall be paid in the Relevant Currency in immediately available funds and shall be paid to the credit of such account as the Security Agent may designate. All such payments shall be made in full without set-off of any sum owing by the Security Agent to the Chargor or counterclaim and free and clear of any deductions of or withholding for or on account of any Tax or for any other reason, except to the extent that any such deduction or withholding is required by law.

26.2 Grossing-up

If at any time the Chargor is required by law to make any deduction or withholding from any payment due from the Chargor to the Security Agent, the Chargor shall simultaneously pay to the Security Agent whatever additional amount is necessary to ensure that the Security Agent receives a net sum equal to the payment it would have received had no deduction or withholding been made.

27 Certificates

A certificate signed by an official of the Security Agent as to the amount at any time of the Secured Obligations and/or the value of the Secured Assets shall be conclusive evidence as against the Chargor of the relevant amount or value.

28 Assignment and Transfer

28.1 Chargor's consent to assignment/transfer by Security Agent

Each Chargor consents to the assignment and/or transfer by the Security Agent of any one or more of its rights and/or obligations under this deed.

28.2 No assignment/transfer by Chargor

Each Chargor may not assign or transfer any one or more of its rights and/or obligations under this deed without obtaining the Security Agent's prior written consent.

28.3 Confidentiality

The Security Agent may give such information relating to the Chargor or this deed as it thinks fit to any person proposing to take an assignment and/or transfer from the Security Agent and/or to enter into contractual relations with the Security Agent with respect to this deed.

29 Indemnity

Each Chargor shall indemnify the Security Agent on demand against any loss or expense (including, without limitation, legal fees) properly incurred by the Security Agent as a result either of a failure by the Chargor to perform any of its obligations under this deed or of any representation or warranty made in this deed having been incorrect when made save for any losses arising as a result of the Security Agent's gross negligence, wilful misconduct or breach of obligations.

30 Expenses

30.1 Transaction expenses

Each Chargor shall promptly on demand pay the Security Agent the amount of all costs and expenses (including legal fees) reasonably incurred by the Security Agent or by any Receiver or delegate of either of them in connection with the negotiation, preparation, printing, execution and perfection of this deed.

30.2 Amendment costs

If each Chargor requests an amendment, waiver or consent in connection with this deed, each Chargor shall, within three days of demand, reimburse the Security Agent for all costs and expenses (including legal fees) reasonably incurred by the Security Agent or by any Receiver or delegate of either of them in responding to, evaluating, negotiating or complying with that request or requirement.

30.3 Enforcement and preservation costs

Each Chargor shall, within three days of demand, pay to the Security Agent the amount of all costs and expenses (including legal fees) incurred by the Security Agent in connection with the enforcement or preservation of any rights under this deed and with any proceedings instituted by or against the Security Agent as a consequence of taking or holding the Security or enforcing its rights under this deed.

31 Miscellaneous

31.1 Severability

If, at any time, any provision of this deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired.

31.2 Variations

No variation of the terms of this deed shall be valid unless in writing signed by the Chargor and the Security Agent.

31.3 Delay or omission by Security Agent

No failure to exercise, nor any delay in exercising, any of the Security Agent's rights or remedies under this deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this deed are cumulative and not exclusive of any rights or remedies provided by law.

31.4 Third party rights

A person who is not a party to this deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this deed.

31.5 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.

31.6 Incomplete details

The fact that no or only incomplete details of any Secured Asset are listed in this deed does not affect the enforceability of the Security constituted by this deed.

31.7 Financial collateral

(a) To the extent that any of the Secured Assets constitute "financial collateral" and this deed constitutes a "security financial collateral arrangement" (as those terms are defined in the Regulations), the Security Agent shall, upon the Security created by this deed becoming enforceable and to the extent permitted by the Regulations, have the right to appropriate all or any part of those Secured Assets in or towards discharge of the Secured Obligations without obtaining any court authorisation in such order as the Security Agent may in its absolute discretion determine. The value of any Secured Assets appropriated in accordance with this Clause shall be, in the case of cash, the amount of cash appropriated and, in the case of Shares, shall be the price of those Shares at the time the right of appropriation is exercised as listed on any recognised market index, or such amount as determined by the Security Agent may select (acting reasonably) having taken into account the advice of an independent investment or accounting firm of national standing selected by it. The Chargor agrees that the method of valuation provided for in this Clause is commercially reasonable for the purposes of the Regulations.

(b) Where the Security Agent exercises its rights of appropriation and the value of the financial collateral appropriated differs from the amount of the Secured Obligations, as the case may be, either:

(i) the Security Agent must account to the relevant Chargor for the amount by which the value of the appropriated financial collateral exceeds the Secured Obligations; or

(ii) the relevant Chargors will remain liable to the Secured Creditors for any amount whereby the value of the appropriated financial collateral is less than the Secured Obligations.

32 Communications

32.1 Communications in writing

Any communication to be made under or in connection with this deed shall be made in writing and, unless otherwise stated, may be made by fax or letter.

32.2 Addresses

The address and fax number of the Security Agent and Chargor for any communication or document to be made or delivered under or in connection with this deed is that identified by its name below, or any substitute address or fax number as one party may notify to the other by not less than seven days' notice.

32.3 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with this deed shall only be effective:
- (i) if by way of fax, when received in legible form; or
 - (ii) if by way of letter, when it has been left at the relevant address or seven days after being deposited in the post postage prepaid in an envelope addressed to the relevant party at that address,

and, in the case of the Security Agent, if a particular department or officer is specified as part of its address details provided under Clause 32.2 (*Addresses*), if addressed to that department or officer.

- (b) 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 in Clause 32.2 (*Addresses*) (or any substitute department or officer as the Security Agent will specify for this purpose).

32.4 English language

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

33 Governing Law and Jurisdiction

33.1 Governing law

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

33.2 Jurisdiction of English courts

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this deed whether of a contractual or non-contractual nature (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**").
- (b) The Chargor agrees that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly agrees that it will not argue to the contrary.
- (c) This Clause 33.2 is for the benefit of the Security Agent only. As a result, the Security Agent will not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

33.3 Enforcement of judgment

A judgment in any proceedings against the Chargor in any court referred to in this Clause 33 will be conclusive and binding upon the Chargor and may be enforced in the courts of any other jurisdiction.

33.4 Service of process

- (a) Without prejudice to any other mode of service allowed under any relevant law, Parent:
- (i) irrevocably appoints Borrower as its agent for service of process in relation to any proceedings before the English courts in connection with this deed; and

- (ii) agrees that failure by an agent for service of process to notify it of the process will not invalidate the proceedings concerned.
- (b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Chargor shall immediately (and in any event within 10 days of such event taking place) appoint another agent on terms acceptable to the Security Agent. Failing this, the Security Agent may appoint another agent for this purpose.
- (c) The Chargor expressly agrees and consents to the provisions of this Clause 33.

This deed is executed as a deed by each Chargor and is signed for and on behalf of the Security Agent and is delivered and takes effect on the date at the beginning of this deed.

SCHEDULE 1

The Chargors

Name of Company	Company Number	Address
Sunseeker International (Holdings) Limited	05914384	27 West Quay Road, Poole, Dorset, BH15 1HX
Sunseeker International Limited	00675320	27 West Quay Road, Poole, Dorset, BH15 1HX
Portofino Yacht Holdings Limited	484125	Republic of Ireland
Quay West Marina Limited	1297993	27 West Quay Road, Poole, Dorset BH15 1HX

SCHEDULE 3

Form of Notice to Account Bank

Part 1: Notice to Account Bank

[On the Letterhead of the Chargor]

To: [name and address of third party bank]

Attention:[]

Copy to: [Security Agent details]

Date: []

Dear Sirs

Debenture dated [] (the "Debenture") between [] (the "Chargor") and [] (the "Security Agent")

This letter constitutes notice to you that, pursuant to the Debenture, we have charged (by way of first fixed charge) in favour of the Security Agent all our present and future rights and interest in and to account number [] in our name with you (the "Account") together with all money from time to time standing to the credit of that Account, all interest accruing in relation thereto and all Related Rights as defined in the Debenture.

We hereby irrevocably instruct and authorise you to:

- 1 credit to the Account all interest from time to time earned on the sums of money held in the Account;
- 2 once the Security Agent has provided a notice to you confirming an Event of Default has occurred, deal only with the Security Agent in relation to the Account unless you receive written instructions from the Security Agent to the contrary;
- 3 once the Security Agent has provided a notice to you confirming an Event of Default has occurred, hold all sums from time to time standing to the credit of the Account to the order of the Security Agent;
- 4 comply with the terms of any written notice or instructions (including payment instructions) relating to the Account or the sums standing to the credit of the Account from time to time which you may receive from the Security Agent without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instructions;
- 5 disclose to the Security Agent, without any reference to or further authority from us and without any enquiry by you as to the justification for such disclosure, such information relating to the Account and the sums in the Account as the Security Agent may from time to time request; and
- 6 send copies of all material notices and communications relating to the Account to the Security Agent as well as ourselves.

Please note that we are and will remain liable to perform all the obligations assumed by us under any mandate or other agreement relating to the Account and that neither the Security Agent, any Receiver nor any of their agents will at any time have any liability to you regarding the Account.

We are not permitted, without the Security Agent's prior written consent, to permit or agree to any variation of the terms and conditions relating to the Account or to close the Account.

The instructions in this notice may not be revoked or varied without the prior written consent of the Security Agent.

This notice is governed by English law.

Please confirm your agreement to the above by sending the attached acknowledgement to *[identify Security Agent officer]* at *[insert address details of Security Agent]* with a copy to us at the above address.

Yours faithfully

.....
[Authorised signatory of Chargor]

Part 2: Form of Acknowledgement

[On the letterhead of the Account Bank]

To: [Security Agent]

Attention: []

Copy to: []

Date: []

Dear Sirs

Debenture dated [] (the "Debenture") between [] (the "Chargor") and [] (the "Security Agent")

We confirm receipt from the Chargor of a notice dated [] 200[] (the "Notice") of the creation of a first fixed charge, pursuant to the terms of the Debenture, of all the Chargor's present and future rights and interest in and to account number [] held with us in the name of [the Chargor] (the "Account") together with all money from time to time standing to the credit of that Account, all interest accruing in relation thereto and all Related Rights, as defined in the Debenture.

We confirm that:

- 1 the balance on the Account as at today's date is £[];
- 2 we accept the instructions and authorisations contained in the Notice and undertake to comply with the terms of the Notice;
- 3 we have not received notice of the creation of any other assignment or security regarding the Account or of the creation of any third party interest in the Account or in the sums of money held in the Account or the debts represented by those sums and we will notify you promptly should we receive any such notice;
- 4 we do not have and will not in future create, accept or enforce any security interest or right of set-off or combination or other right in respect of the Account, the sums of money held in the Account or the debts represented by those sums; and
- 5 we will not amend the terms or conditions upon which the Account is operated or close the Account without your prior written consent.

This letter is governed by English law.

Yours faithfully

.....
for and on behalf of
[third party bank]

SCHEDULE 4

Contracts

- 1 The acquisition agreement relating to the acquisition by Portofino Yacht Holdings Limited Sunseeker International Holdings Limited (the "Acquisition Agreement")
- 2 Tax Deed in relation to the Acquisition Agreement
- 3 Framework Agreement between Portfolio Yacht Holdings Limited, Sunseeker International Holdings Limited and [Sunseeker International Limited] and Robert Braithwaite.

SCHEDULE 5

Form of Notice to Counterparty

Part 1: Notice to Counterparty

[On the letterhead of the Chargor]

To: [Contract counterparty]

Copy to: [Security Agent details]

Date: []

Dear Sirs

Debenture dated [] between [] (the "Chargor") and [] (the "Security Agent") (the "Debenture")

This letter constitutes notice to you that pursuant to the Debenture we have assigned to the Security Agent by way of security all our present and future rights under or in connection with [insert details of Contract] (the "**Contract**") (including under any guarantee, warranty or indemnity granted in relation to the Contract) and all Related Rights, as defined in the Debenture.

We irrevocably authorise and instruct you to:

- 1 disclose to the Security Agent without any reference to or further authority from us (and without any enquiry by you as to the justification for such disclosure), such information relating to the Contract as the Security Agent may at any time request;
- 2 pay all sums from time to time due and payable by you under the Contract in accordance with any written instructions given to you by the Security Agent from time to time once the Security Agent has provided you with a notice confirming an Event of Default occurred;
- 3 after receipt of written notice in paragraph 2 above comply with the terms of any written notice or instructions relating to the Contract or the debts represented thereby which you receive from the Security Agent without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction; and
- 4 send copies of all material notices and communications relating to the Contract to the Security Agent as well as ourselves.

Please note that we are and will remain liable to perform all the obligations assumed by us under the Contract and that neither the Security Agent, any Receiver nor any of their agents will at any time have any liability to you under the Contract.

The instructions in this notice may not be revoked or amended without the prior written consent of the Security Agent.

This notice is governed by English law.

Please confirm your agreement to the above by sending the attached acknowledgement to the Security Agent at [address], with a copy to us at the above address.

Yours faithfully

.....
For and on behalf of
[CHARGOR]

Part 2: Form of Acknowledgement

[On the letterhead of the Counterparty]

To: [Security Agent]

[Address]

Copy: [Chargor]

Date: []

Dear Sirs

Debenture dated [] between [] (the "Chargor") and [] (the "Security Agent") (the "Debenture")

We confirm receipt from the Chargor of a notice dated [] (the "Notice") of an assignment, pursuant to the terms of the Debenture, of all the Chargor's present and future rights under or in connection with [insert details of Contract] (the "Contract") (including under any guarantee, warranty or indemnity granted in relation to the Contract) and all Related Rights, as defined in the Debenture.

We confirm that:

- 1 we accept the instructions and authorisations contained in the Notice and we undertake to act in accordance with and comply with the terms of the Notice;
- 2 we have not received notice of the creation of any other assignment of or security over rights or proceeds arising under the Contract in favour of any third party or the creation of any other third party interest in those rights or proceeds and we will notify you promptly should we receive any such notice; and
- 3 we have not claimed or exercised nor do we have any outstanding right to claim or exercise against the Chargor any right of set-off, counter claim or other right relating to the Contract.

This letter is governed by English law.

Yours faithfully

.....
For and on behalf of
[COUNTERPARTY]

SCHEDULE 7

Form of Notice to Insurer

Part 1: Notice to Insurer

[On the letterhead of the Chargor]

To: [insert name and address of Insurer]

Copy to: [Security Agent details]

Date: []

Dear Sirs

Debenture dated [] between [] (the "Chargor") and [] (the "Security Agent")
(the "Debenture")

This letter constitutes notice to you that, pursuant to the Debenture, we have assigned to the Security Agent by way of security all amounts payable to us under or in connection with the policies described below (the "Policies"), all our rights in connection with those amounts and all Related Rights, as defined in the Debenture.

[Describe insurances]

We irrevocably authorise and instruct you to:

- 1 disclose to the Security Agent without any reference to or further authority from us (and without any enquiry by you as to the justification for such disclosure), such information relating to the Policies as the Security Agent may at any time request;
- 2 once the Security Agent has served notice on you that an Event of Default has occurred pay any sums from time to time due and payable by you under the Policies in accordance with any written instructions given to you by the Security Agent from time to time;
- 3 after receipt of written notice in paragraph 2 above, comply with the terms of any notice or instructions relating to the Policies which you receive from the Security Agent (without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction);
- 4 send copies of all material notices issued under the Policies to the Security Agent as well as ourselves.

Please note that we are and will remain liable to perform all the obligations assumed by us under the Policies and that neither the Security Agent, any Receiver nor any of their agents nor any other person will have any liability to you under the Policies.

We are not permitted to agree any amendment or supplement to or to waive any material term of the Policies or to terminate any Policy without the prior written consent of the Security Agent.

The instructions in this notice may not be revoked or amended without the prior written consent of the Security Agent.

Please confirm your agreement to the above by sending the attached acknowledgement to the Security Agent at [address] with a copy to us at the above address.

This notice is governed by English law.

Yours faithfully

.....
For and on behalf of
[CHARGOR]

Part 2: Form of Acknowledgement

[On the letterhead of the Insurer]

To: [Security Agent]

[Address]

Copy: [Chargor]

Date: []

Dear Sirs

Debenture dated [] between [] (the "Chargor") and [] (the "Security Agent") (the "Debenture")

We confirm receipt from the Chargor of a notice dated [] (the "**Notice**") of an assignment, pursuant to the terms of the Debenture, of (i) all amounts payable to the Chargor under or in connection with the Policies (ii) all the Chargor's rights in connection with those amounts and (iii) all Related Rights, as defined in the Debenture. We confirm that:

- 1 we accept the instructions and authorisations contained in the Notice and undertake to act in accordance with and comply with the terms of the Notice;
- 2 we will not terminate or otherwise allow any of the Policies to lapse without giving you at least 14 days' prior written notice;
- 3 we have not received notice of the creation of any other assignment of or any security over rights or proceeds arising under the Policies in favour of any third party or the creation of any other third party interest in those rights or proceeds and we will notify you promptly should we receive any such notice;
- 4 we agree that no material term of the Policies may be amended, supplemented or waived without your prior written consent; and
- 5 we agree to notify you if the Chargor breaches the terms of any Policy or otherwise gives us grounds to declare any Policy void or voidable and, where the breach is capable of being remedied, to allow you or your agents to remedy the relevant breach.




All terms used in this letter have the same meaning as in the Notice.

This letter is governed by English law.

Yours faithfully

.....
For and on behalf of
[Name of insurance company]

US Trade Marks of Sunseeker International Limited

Mark	Class(es)	Application / Registration Number	Status
	12	2866781	Registered
MANHATTAN	12	2485189	Registered
SUNSEEKER	12	1633948	Registered
	12	2688284	Registered
	12	2758134	Registered
SUPERHAWK	12	2630947	Registered

EXECUTION PAGES

CHARGORS

Executed as a deed by SUNSEEKER INTERNATIONAL (HOLDINGS) LIMITED acting by:

New Hughes and Peter Crowley
[signature of first director] [signature of second director or secretary]

NEW HUGHES and PETER CROWLEY
[print name of first director] [print name of second director or secretary]
Director Director/~~Secretary~~

Notice details

Address: 27-31 West Quay Road, Poole, Dorset, BH15 1HX
Fax: +44(0)1202 382 222

Executed as a deed by SUNSEEKER INTERNATIONAL LIMITED acting by:

New Hughes and Peter Crowley
[signature of first director] [signature of second director or secretary]

NEW HUGHES and PETER CROWLEY
[print name of first director] [print name of second director or secretary]
Director Director/~~Secretary~~

Notice details

Address: 27-31 West Quay Road, Poole, Dorset, BH15 1HX
Fax: +44(0)1202 382 222

Executed as a deed by QUAY WEST-MARINA LIMITED acting by:

New Hughes and Peter Crowley
[signature of first director] [signature of second director or secretary]

NEW HUGHES and Peter Crowley
[print name of first director] [print name of second director or secretary]
Director Director/Secretary

Notice details

Address: 27-31 West Quay Road, Poole, Dorset, BH15 1HX
Fax: +44(0)1202 382 222

Given the COMMON SEAL of PORTOFINO YACHT HOLDINGS LIMITED:

New Hughes and Peter Crowley
[signature of first director] [signature of second director or secretary]

NEW HUGHES and Peter Crowley
[print name of first director] [print name of second director or secretary]
Director Director/Secretary

Notice details

Address: Stradbroke House, Stradbroke Road, Blackrock, Co Dublin
Ireland
Fax: +353 1 6686881

SECURITY AGENT

Executed by HAYMARKET FINANCIAL LLP as Security Agent acting by a member:

DM Blue
[signature of member]

David Rushford
[print name of member]

Member / Designated Member

in the presence of:

Godric Shoemith
[signature of witness]

Godric Shoemith
[print name of witness]

Address

23 Lamballe Road
London NW3 4HS

Occupation

Attorney