



Registration of a Charge

Company name: **Farmhold Investments Limited**

Company number: **00600416**



X6BT1SFU

Received for Electronic Filing: **31/07/2017**

Details of Charge

Date of creation: **21/07/2017**

Charge code: **0060 0416 0012**

Persons entitled: **THE ROYAL BANK OF SCOTLAND PLC**

Brief description: **THE CHARGOR CHARGED BY WAY OF LEGAL MORTGAGE
187/197 (ODD) LEWISHAM HIGH STREET, LONDON WITH TITLE
NUMBERTGL20306 AND 1-18 ELYSIAN FIELDS, MEADOWGATE ROAD,
SALFORD WITH TITLE NUMBER GM566107**

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **WE CERTIFY THAT, SAVE FOR MATERIAL REDACTED PURSUANT
TO S.859G OF THE COMPANIES ACT 2006, THE ELECTRONIC
COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION
FOR REGISTRATION IS A CORRECT COPY OF THE PART OF THE**

**CHARGING INSTRUMENT SIGNED BY OR ON BEHALF OF THE
CHARGOR, AND A CORRECT COPY OF THE SIGNATURE PAGE TO
EACH OTHER PART OF SUCH CHARGING INSTRUMENT**

Certified by:

DENTONS UKMEA LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 600416

Charge code: 0060 0416 0012

The Registrar of Companies for England and Wales hereby certifies that a charge dated 21st July 2017 and created by Farmhold Investments Limited was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 31st July 2017 .

Given at Companies House, Cardiff on 2nd August 2017

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



JRO/JPS/070001.01311/47252304.05

Legal Mortgage

Dated 21 JULY 2017

Farmhold Investments Limited
(Mortgagor)

The Royal Bank of Scotland plc
(Lender)

Dentons UKMEA LLP
One Fleet Place
London EC4M 7WS
United Kingdom
DX 242

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Legal Mortgage

Dated 21 JULY 2017

Between:

- (1) **Farmhold Investments Limited** (Registered number 00600416) and whose registered office is at New Burlington House, 1075 Finchley Road, London NW11 0PU (the **Mortgagor**); and
- (2) **The Royal Bank of Scotland plc** (the **Lender**).

Background:

- A The Mortgagor enters into this Deed in connection with the Facility Agreement (as defined below).
- B It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED as follows:

1 Definitions and Interpretation

1.1 Definitions

In this Deed:

Act means the Law of Property Act 1925.

Agreement for Lease means an agreement to grant an Occupational Lease for all or part of the Mortgaged Property.

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

Borrower means Better Properties Limited a company registered in England and Wales with company number 02150001.

Delegate means any delegate, agent, attorney or trustee appointed by the Lender.

Environment means humans, animals, plants and all other living organisms including the ecological systems of which they form part and the following media:

- (a) air (including air within natural or man-made structures, whether above or below ground);
- (b) water (including territorial, coastal and inland waters, water under or within land and water in drains and sewers); and
- (c) land (including land under water).

Environmental Claim means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law.

Environmental Law means any applicable law or regulation which relates to:

- (a) the pollution or protection of the Environment;
- (b) the conditions of the workplace; or
- (c) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment, including any waste.

Environmental Permit means any permit and other Authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of the Mortgagor conducted on or from the Mortgaged Property.

Facility Agreement means the £28,700,000 facility agreement dated on or around the date of this Deed between (among others) the Mortgagor, the Borrower and the Lender.

Insurance means, each contract or policy of insurance to which the Mortgagor is a party or in which it has an interest in relation to the Mortgaged Property.

Lease Document means:

- (a) an Agreement for Lease; or
- (b) an Occupational Lease.

Mortgaged Property means the freehold or leasehold property (whether registered or unregistered) owned by the Mortgagor and specified in Schedule 1 (*Mortgaged Property*).

Occupational Lease means any lease or licence or other right of occupation or right to receive rent to which the Mortgaged Property may at any time be subject and includes any guarantee of a tenant's obligations under the same.

Party means a party to this Deed.

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

Relevant Contract means:

- (a) an appointment of any managing agent appointed by the Mortgagor in respect of the Mortgaged Property;
- (b) an appointment of any asset manager appointed by the Mortgagor in respect of the Mortgaged Property;
- (c) an agreement relating to the purchase of any Mortgaged Property by the Mortgagor; or
- (d) a rent deposit deed relating to the Mortgaged Property between the Mortgagor and any occupational tenant.

Relevant Jurisdiction means England and Wales and (if different):

- (a) the Mortgagor's jurisdiction of incorporation; and
- (b) any jurisdiction where the Mortgagor conducts its business.

Rental Income means the aggregate of all amounts paid or payable to or for the account of the Mortgagor in connection with the letting, licence or grant of other rights of use or occupation of any part of the Mortgaged Property, as more particularly defined in the Facility Agreement.

Secured Liabilities means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor to any Secured Party under each Finance Document, except for any obligation which, if it were so included, would result in this Deed contravening section 678 or 679 of the Companies Act 2006.

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

Security means a mortgage, charge, pledge, lien, assignment by way of security, retention of title provision, trust or flawed asset arrangement (for the purpose of, or which has the effect of, granting security) or other security interest securing any obligation of any person or any other agreement or arrangement in any jurisdiction having a similar effect.

Security Asset means any asset of the Mortgagor which is, or is expressed to be, subject to any Security created by this Deed.

Security Period means the period beginning on the date of this Deed and ending on the date on which the Lender is satisfied that:

- (a) all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full; and
- (b) it is under no commitment, obligation or liability (actual or contingent) to make advances or provide other financial accommodation to any Obligor pursuant to the Finance Documents.

1.2 Construction

1.2.1 Capitalised terms defined in the Facility Agreement have the same meaning in this Deed unless expressly defined in this Deed.

1.2.2 The provisions of clause 1.2 (*Construction*) of the Facility Agreement apply to this Deed as though they were set out in full in this Deed except that references to the Facility Agreement will be construed as references to this Deed.

1.2.3 Unless a contrary indication appears, a reference in this Deed to:

- (a) a Finance Document or Transaction Document or any other agreement or instrument is a reference to that Finance Document or Transaction Document or other agreement or instrument as amended, novated, supplemented, extended or restated;
- (b) any **rights** in respect of an asset includes:
 - (i) all amounts and proceeds paid or payable;

- (ii) all rights to make any demand or claim; and
- (iii) all powers, remedies, causes of action, security, guarantees and indemnities, in each case in respect of or derived from that asset;

(c) the term **this Security** means any Security created by this Deed.

- 1.2.4 Each of the mortgages, fixed charges and assignments contained in Clauses 2.2 (*Mortgaged Property*) to 2.5 (*Other contracts*) (inclusive) over each category of assets and each asset specified in those Clauses shall be read and construed separately, as though each such category and asset were mortgaged, charged or assigned (as applicable) independently and separately of each other.
- 1.2.5 Any covenant of the Mortgagor under this Deed (other than a payment obligation which has been discharged) remains in force during the Security Period.
- 1.2.6 The terms of the other Finance Documents and of any other agreement or instrument between any Parties in relation to any Finance Document are incorporated in this Deed to the extent required to ensure that any purported disposition, or any agreement for the 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.
- 1.2.7 If the Lender considers that an amount paid to it under a Finance Document 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.
- 1.2.8 Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of any disposal of that Security Asset.

1.3 Third party rights

- 1.3.1 Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Third Parties Act to enforce or to enjoy the benefit of any term of this Deed.
- 1.3.2 Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind, vary, waive, release, assign, novate or otherwise dispose of all or any of their respective rights or obligations under this Deed at any time.
- 1.3.3 Any Receiver, any Delegate or any person described in Clause 9.4 (*Protection of third parties*) may enforce and enjoy the benefit of any Clause which expressly confers rights on it, subject to Clause 1.3.2 above and the provisions of the Third Parties Act.

2 Creation of Security

2.1 General

- 2.1.1 The Mortgagor must pay or discharge the Secured Liabilities in the manner provided for in the Finance Documents.
- 2.1.2 All the Security created under this Deed:

- (a) is created in favour of the Lender;
- (b) is created over present and future assets of the Mortgagor;
- (c) is security for the payment and discharge of all the Secured Liabilities; and
- (d) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

2.2 Mortgaged Property

The Mortgagor charges by way of a first legal mortgage all estates or interests in the Mortgaged Property.

2.3 Plant and machinery

To the extent that they are not the subject of a mortgage under Clause 2.2 (*Mortgaged Property*), the Mortgagor charges by way of a first fixed charge all plant and machinery, owned by the Mortgagor and its interest in any plant or machinery in its possession, together with the benefit of all related Authorisations, agreements and warranties.

2.4 Insurances

- 2.4.1 The Mortgagor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights under each Insurance.
- 2.4.2 To the extent that they have not been effectively assigned under Clause 2.4.1 above, the Mortgagor charges by way of first fixed charge each Insurance.

2.5 Other contracts relating to the Mortgaged Property

2.5.1 The Mortgagor:

- (a) assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights:
 - (i) under each Lease Document;
 - (ii) in respect of all Rental Income;
 - (iii) under any guarantee of Rental Income contained in or relating to any Lease Document; and
 - (iv) under each Relevant Contract.

- 2.5.2 To the extent that they have not been effectively assigned under paragraph (a) of Clause 2.5.1 above, the Mortgagor charges by way of a first fixed charge all of its rights listed under paragraph (a) of Clause 2.5.1 above.

2.6 Trust

If or to the extent that the assignment or charging of any Security Asset is ineffective because of a prohibition on that assignment or charging, the Mortgagor holds it on trust for the Lender.

3 Notices of Security

3.1 Insurance

The Mortgagor shall:

- (a) at any time if requested by the Lender, promptly give notice to the counterparties to the Insurances of the assignment created under Clause 2.4(*Insurances*), each such notice to be in the form set out in Part 1 of Schedule 2 (*Forms of Letter for Insurances*) (or other form approved by the Lender) and deliver to the Lender a certified copy of each notice;
- (b) use reasonable endeavours to procure that each party served with a notice under paragraph (a) of this Clause countersigns and returns it to the Lender as set out in Part 2 of Schedule 2 (*Forms of Letter for Insurances*) as applicable (or in any other form approved by the Lender).

3.2 Other contracts

The Mortgagor must, at any time at the request of the Lender:

- (a) immediately serve a notice of assignment or charge (as applicable) (in a form satisfactory to the Lender, including as to the request for acknowledgment) on each counterparty to a contract listed in Clause 2.5 (*Other contracts*) and deliver to the Lender a certified copy of each notice; and
- (b) use reasonable endeavours to ensure that each such party provides an acknowledgment of that notice to the Lender within 14 days of the date of the notice.

4 Representations and warranties

The Mortgagor makes the representations and warranties set out in this Clause 4 to the Lender on the date of this Deed and on each day during the Security Period.

4.1 Status

- 4.1.1 The Mortgagor is a limited liability corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.
- 4.1.2 It has the power to sue and be sued in its own name and to own its assets and carry on its business as that business is being and will be conducted.

4.2 Binding obligations

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

4.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, this Deed do not and will not conflict with or breach:

- (a) any law or regulation applicable to it or binding on its assets;

- (b) its constitutional documents; or
- (c) any agreement or instrument binding on it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument.

4.4 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Deed and the grant of the Security envisaged by it.

4.5 No filing or stamp taxes

4.5.1 Under the law of its Relevant Jurisdictions it is not necessary that this Deed be filed, recorded or enrolled with any court or other authority in that jurisdiction, or that any stamp, registration or similar tax be paid on or in relation to this Deed except:

- (a) registration of particulars of the Deed at Companies House under the Companies Act 2006 and payment of associated fees; and
- (b) registration of the Deed at the Land Registry or Land Charges Registry in England and Wales and payment of associated fees,

which registrations, filings and fees will be made and paid promptly after the date of this Deed.

4.5.2 Any disclosure required to be made by it to any relevant taxing authority in relation to stamp duty land tax payable on any transactions contemplated by this Deed has been made.

4.6 Insolvency

It has not taken any action nor (to the best of its knowledge and belief) have any steps been taken or legal proceedings been started or threatened against it for its winding-up, dissolution or re-organisation, for the enforcement of any Security over its assets or for the appointment of a liquidator, supervisor, receiver, administrator, administrative receiver, compulsory manager, trustee or other similar officer of it or in respect of any of its assets.

4.7 No Security created

The execution by it of this Deed and the exercise of its rights and the performance of its obligations under it will not result in the creation of, or any obligation to create, any Security over or in respect of the Security Assets other than in favour of the Lender.

4.8 Title to Mortgaged Property

4.8.1 The Mortgagor will, from the date of this Deed:

- (a) be the legal and beneficial owner of the Mortgaged Property; and
- (b) have good and marketable title to the Mortgaged Property,

in each case free from Security (other than that created by or pursuant to this Deed) and restrictions and onerous covenants (other than as disclosed in any report on the Mortgaged Property delivered to the Lender prior to the date of this Deed).

- 4.8.2 From the date of this Deed (other than as disclosed in any report on the Mortgaged Property delivered to the Lender prior to the date of this Deed):
- (a) no breach of any law, regulation or covenant is outstanding which adversely affects or would reasonably be expected to adversely affect the value, saleability or use of the Mortgaged Property;
 - (b) there is no covenant, agreement, stipulation, reservation, condition, interest, right, easement or other matter whatsoever adversely affecting the Mortgaged Property;
 - (c) nothing has arisen or has been created or is outstanding which would be an overriding interest, or an unregistered interest which overrides first registration or a registered disposition, over the Mortgaged Property;
 - (d) all facilities necessary for the enjoyment and use of the Mortgaged Property (including those necessary for the carrying on of its business at the Mortgaged Property) are enjoyed by the Mortgaged Property;
 - (e) none of the facilities referred to in paragraph (d) above are enjoyed on terms:
 - (i) entitling any person to terminate or curtail its use of the Mortgaged Property; or
 - (ii) which conflict with or restrict its use of the Mortgaged Property;
 - (f) the Mortgagor has not received any notice of any adverse claim by any person in respect of the ownership of the Mortgaged Property or any interest in it which might reasonably be expected to be determined in favour of that person, nor has any acknowledgement been given to any such person in respect of the Mortgaged Property; and
 - (g) the Mortgaged Property is held by the Mortgagor free from any lease or licence (other than those entered into in accordance with this Deed).

4.9 Ranking of Security

Subject to the Legal Reservations and any filings, registrations and the payment of any fees referred to in Clause 4.5 (*No filings or stamp taxes*), the security conferred by this Deed constitutes a first priority security interest of the type described, over the Security Assets and those Security Assets are not subject to any prior or *pari passu* Security.

5 General undertakings

5.1 Negative pledge

Except as expressly allowed under the Facility Agreement or this Deed, the Mortgagor must not create or permit to subsist any Security on any Security Asset.

5.2 Disposals

Except as expressly allowed under the Facility Agreement or this Deed, the Mortgagor must not enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, transfer, loan, or otherwise dispose of all or any part of any Security Asset, or enter into an agreement to make any such disposal.

5.3 Preservation of Security Assets

The Mortgagor shall not:

- (a) enter into any onerous obligation or restriction affecting any Security Asset; or
- (b) do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the Security created by this Deed or materially diminish the value of any Security Asset or the effectiveness of the Security created by this Deed.

5.4 Covenants and payments

The Mortgagor must:

- (a) observe and perform all covenants and other obligations and matters (whether or not contained in any agreement or other document) from time to time affecting any of the Security Assets or their use or enjoyment;
- (b) promptly inform the Lender if it becomes aware of any steps taken or proceedings commenced by any person with a view to obtaining forfeiture of or determining any lease, underlease, tenancy or licence comprised in the Security Assets;
- (c) not permit any breach of any bye-laws, other laws and regulations affecting any of the Security Assets; and
- (d) pay or procure the payment of all rents, rates, taxes, charges, assessments, impositions and other outgoings of any kind which are from time to time payable (whether by the owner or the occupier) in respect of any of the Security Assets.

5.5 Enforcement of rights

The Mortgagor must use its best endeavours to:

- (a) procure the prompt observance and performance by the relevant counterparty to any agreement or arrangement with the Mortgagor and forming part of the Security Assets of the covenants and other obligations imposed on such counterparty; and
- (b) enforce any rights and institute, continue or defend any proceedings relating to any of the Security Assets that the Lender may require from time to time.

6 Insurance undertakings

6.1 The Mortgagor must ensure that at all times during the Security Period Insurances are maintained in full force and effect, which:

- (a) insure the Mortgagor in respect of its interests in the Mortgaged Property (including fixtures and improvements (except where (i) such fixtures are owned by a current tenant and/or (ii) such improvements have been made by a current tenant)) for their full replacement value (being the total cost of entirely rebuilding, reinstating or replacing the relevant asset if it is completely destroyed, together with all related fees and demolition costs);
- (b) provide cover against loss or damage by fire, storm, tempest, flood, earthquake, lightning, explosion, impact, aircraft and other aerial devices and articles dropped

from them, riot, civil commotion and malicious damage, bursting or overflowing of water tanks, apparatus or pipes and all other normally insurable risks of loss or damage for a property of the type of the Mortgaged Property;

- (c) provide cover for site clearance, shoring or propping up, professional fees and value added tax together with adequate allowance for inflation;
- (d) provide cover against acts of terrorism, including any third party liability arising from such acts;
- (e) provide cover for loss of rent (in respect of a period of not less than three years or, if longer, the minimum period required under the Lease Documents) including provision for any increases in rent during the period of insurance;
- (f) include property owners' public liability and third party liability insurance;
- (g) insure such other risks as a prudent company or other person in the same business as the Mortgagor would insure; and
- (h) in each case are in an amount, and in form, and with an insurance company or underwriters, acceptable at all times to the Lender (including as to the minimum credit rating of such insurance company or underwriters).

6.2 The Mortgagor must procure that the Lender is named as composite insured in respect of its own separate insurable interest under each of the Insurances (other than public liability and third party liability insurances) but without:

- (a) any liability on the part of the Lender or any Delegate for any premium in relation to those Insurances; or
- (b) any obligation on the part of the Lender to make any disclosure to any insurer or any insurance broker in relation to those Insurances unless and until the Lender becomes a mortgagee in possession of the Mortgaged Property, in which circumstance an obligation shall apply on the part of the Lender to make disclosure to any insurer or any insurance broker in relation to the Insurance or the Insurances in respect of the Mortgaged Property pursuant to the terms of that Insurance or those Insurances.

6.3 The Mortgagor must procure that the Insurances comply with the following requirements:

- (a) each of the Insurances must contain:
 - (i) a non-invalidating and non-vitiating clause under which the Insurances will not be avoided or vitiated as against any insured party as a result of any circumstances beyond the control of that insured party or any misrepresentation, non-disclosure, or breach of any policy term or condition, on the part of any other insured party or any agent of any other insured party;
 - (ii) a waiver of the rights of subrogation of the insurer as against the Mortgagor, the Lender and the tenants of the Mortgaged Property other than any such rights arising in connection with any fraud or criminal offence committed by any of those persons in respect of the Mortgaged Property or any Insurance; and

- (iii) a loss payee clause under which the Lender is named as first loss payee in respect of any claim or series of connected claims in excess of GBP £50,000;
- (b) each insurer must in the notice give at least 30 days' notice to the Lender if it proposes to:
 - (i) repudiate, rescind or cancel any Insurance;
 - (ii) treat any Insurance as avoided in whole or in part;
 - (iii) treat any Insurance as expired due to non-payment of premium; or
 - (iv) otherwise decline any claim under any Insurance by or on behalf of any insured party,

and, in respect of paragraph (b)(iii) above, must give the Lender the opportunity to rectify any such non-payment of premium within the notice period; and
- (c) the Mortgagor must be free to assign or otherwise grant Security over all amounts payable to it under each of its Insurances and all its rights in connection with those amounts in favour of the Lender.

6.4 The Mortgagor must use reasonable endeavours to ensure that the Lender receives copies of the Insurances, receipts for the payment of premiums for insurance and any information in connection with the Insurances and claims under them which the Lender may reasonably require.

6.5 The Mortgagor must promptly notify the Lender of:

- (a) the proposed terms of any future renewal of any of the Insurances;
- (b) any amendment, supplement, extension, termination, avoidance or cancellation of any of the Insurances made or, to its knowledge, threatened or pending;
- (c) any claim, and any actual or threatened refusal of any claim, under any of the Insurances in excess of £25,000 per claim; and
- (d) any event or circumstance which has led or may lead to a breach by the Mortgagor of any term of this Clause.

6.6 The Mortgagor must:

- (a) comply with the terms of the Insurances;
- (b) not do or permit anything to be done which may make void or voidable any of the Insurances; and
- (c) comply with all reasonable risk improvement requirements of its insurers.

6.7 The Mortgagor must ensure that:

- (a) each premium for the Insurances is paid within the period permitted for payment of that premium; and

(b) all other things necessary are done so as to keep each of the Insurances in force.

6.8 If the Mortgagor fails to comply with any term of this Clause 6, the Lender may, at the expense of the Mortgagor effect any insurance and generally do such things and take such other action as the Lender may reasonably consider necessary or desirable to prevent or remedy any breach of this Clause.

6.9

- (a) Except as provided below, the proceeds of any Insurances that exceed (i) £25,000 in respect of any one claim and/or (ii) in aggregate of £50,000 (in each financial year) must, if the Lender so requires, be paid to the Lender for application in accordance with Clause 13 (*Application of proceeds*). The Obligors shall not be obliged to pay proceeds of Insurances in accordance with Clause 13 (*Application of proceeds*) if such proceeds (if not used) would not cause a Default or are of an amount that will not impact on the value of the relevant Property or have a Material Adverse Effect on the relevant Property
- (b) To the extent required by the basis of settlement under any Insurances or under any Lease Document, the Mortgagor must apply moneys received under any Insurances in respect of the Mortgaged Property towards replacing, restoring or reinstating the Mortgaged Property.
- (c) The proceeds of any loss of rent insurance will be treated as Rental Income and applied in such manner as the Lender (acting reasonably) requires to have effect as if it were Rental Income received over the period of the loss of rent.
- (d) Moneys received under liability policies held by the Mortgagor which are required by the Mortgagor to satisfy established liabilities of the Mortgagor to third parties must be used to satisfy these liabilities.
- (e) Each Obligor confirms that all the Properties and all other real property owned by it are covered against acts of terrorism, including any third party liability arising from such acts in the Pool Re scheme.

7 Property Undertakings

7.1 Title

- 7.1.1 The Mortgagor must exercise its rights and comply in all material respects with any covenant, stipulation or obligation (restrictive or otherwise) at any time affecting the Mortgaged Property.
- 7.1.2 The Mortgagor may not agree to any amendment, supplement, waiver, surrender or release of any covenant, stipulation or obligation (restrictive or otherwise) at any time affecting the Mortgaged Property.
- 7.1.3 The Mortgagor must promptly take all such steps as may be necessary to enable the Security created by this Deed to be registered, against any relevant title registered at the Land Registry.

7.2 Maintenance

- 7.2.1 The Mortgagor must ensure or procure that all buildings, plant, machinery, fixtures and fittings on the Mortgaged Property are in, and maintained in:

- (a) good and substantial repair and condition and, as appropriate, in good working order; and
- (b) such repair, condition and, as appropriate, good working order as to enable them to be let in accordance with all applicable laws and regulations.

7.2.2 The Mortgagor must carry out any energy efficiency improvements necessary, or take any other steps necessary, to ensure that at all times each part of the Mortgaged Property which is designed to be let can be let or can continue to be let without breaching any applicable laws or regulations in respect of minimum levels of energy efficiency for properties.

7.3 Occupational Leases

7.3.1 The Mortgagor may not without the consent of the Lender (such consent not to be unreasonably withheld or delayed):

- (a) enter into any Agreement for Lease;
- (b) other than under an Agreement for Lease, grant or agree to grant any new Occupational Lease;
- (c) agree to any amendment, supplement, extension, waiver, surrender or release in respect of any Lease Document;
- (d) exercise any right to break, determine or extend any Lease Document;
- (e) commence any forfeiture proceedings in respect of any Lease Document;
- (f) grant any licence or right to use or occupy any part of the Mortgaged Property;
- (g) consent to any sublease or assignment of any tenant's interest under any Lease Document;
- (h) agree to any change of use under, or (except where required to do so under the terms of the relevant Lease Document) rent review in respect of, any Lease Document; or
- (i) serve any notice on any former tenant under any Lease Document (or on any guarantor of that former tenant) which would entitle it to a new lease or tenancy.

7.3.2 The Mortgagor must:

- (a) diligently collect or procure to be collected all Rental Income;
- (b) exercise its rights and comply with its obligations under each Lease Document; and
- (c) use its reasonable endeavours to ensure that each tenant complies with its obligations under each Lease Document,

in a proper and timely manner.

7.3.3 Any premium or other amount paid to the Mortgagor in respect of any agreement to amend, supplement, extend, waive, surrender or release a Lease Document must be paid into the Deposit Account for application in accordance with the terms of the Facility Agreement.

- 7.3.4 The Mortgagor must supply to the Lender a copy of each Lease Document, a copy of each amendment, supplement or extension to a Lease Document and a copy of each document recording any rent review in respect of a Lease Document promptly upon entering into the same.
- 7.3.5 The Mortgagor must use its reasonable endeavours to find tenants for any vacant lettable space in the Mortgaged Property with a view to granting a Lease Document with respect to that space.
- 7.3.6 The Mortgagor may not grant or agree to grant any Lease Document without including in the alienation covenant a provision for the proposed assignor on any assignment to guarantee the obligations of the proposed assignee until that assignee is released as tenant under the terms of the Landlord and Tenant (Covenants) Act 1995.

7.4 Headlease

- 7.4.1 If the Mortgagor holds title to all or any part of a Mortgaged Property under a lease (the **Headlease**), the Mortgagor must:

- (a) exercise its rights and comply with its obligations under the Headlease;
- (b) use its reasonable endeavours to ensure that the landlord complies with its obligations under the Headlease; and
- (c) if so required by the Lender, apply for relief against forfeiture of the Headlease, in a proper and timely manner.

- 7.4.2 The Mortgagor may not without the prior written consent of the Lender (such consent not to be unreasonably withheld or delayed):

- (a) agree to any amendment, supplement, waiver, surrender or release of the Headlease;
- (b) exercise any right to break, determine or extend the Headlease;
- (c) agree to any rent review in respect of the Headlease; or
- (d) do or allow to be done any act as a result of which the Headlease may become liable to forfeiture or otherwise be terminated.

7.5 Development

- 7.5.1 Subject to the terms of the Occupational Leases the Mortgagor may not, without the consent of the Lender (such consent not to be unreasonably withheld or delayed):

- (a) make or allow to be made any application for planning permission in respect of any part of the Mortgaged Property; or
- (b) carry out, or allow to be carried out, any demolition, construction, structural alterations or additions, development or other similar operations in respect of any part of the Mortgaged Property.

- 7.5.2 Clause 7.5.1 shall not apply to:

- (a) the maintenance of the buildings, plant, machinery, fixtures and fittings in accordance with the Transaction Documents;
- (b) the carrying out of non-structural improvements or alterations which affect only the interior of any building on the Mortgaged Property.

7.5.3 The Mortgagor must comply in all material respects with all planning laws, permissions, agreements and conditions to which the Mortgaged Property may be subject.

7.6 Notices

The Mortgagor must, within 14 days after the receipt by the Mortgagor of any application, requirement, order or notice served or given by any public or local or any other authority or any landlord with respect to the Mortgaged Property (or any part of it):

- (a) deliver a copy to the Lender; and
- (b) inform the Lender of the steps taken or proposed to be taken to comply with the relevant requirement, order or notice; and
- (c) make or join in making any representations which the Lender requests in respect of the notice, order or proposal.

7.7 Investigation of title

The Mortgagor must grant the Lender or its lawyers on request all facilities within the power of the Mortgagor to enable the Lender or its lawyers to:

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

7.8 Power to remedy

7.8.1 If the Mortgagor fails to perform any obligations under this Deed affecting the Mortgaged Property, the Mortgagor must allow the Lender or its agents and contractors:

- (a) to enter any part of the Mortgaged Property;
- (b) to comply with or object to any notice served on the Mortgagor in respect of the Mortgaged Property; and
- (c) to take any action that the Lender may reasonably consider necessary or desirable to prevent or remedy any breach of any such term or to comply with or object to any such notice.

7.8.2 The Mortgagor must immediately on request by the Lender pay the costs and expenses of the Lender or its agents and contractors incurred in connection with any action taken by it under this Clause.

7.8.3 The Lender will not be obliged to account as mortgagee in possession as a result of any action taken under this Clause.

7.9 Managing agents and asset managers

The Mortgagor may not:

- (a) appoint any managing agent or asset manager;
- (b) amend, supplement, extend or waive the terms of appointment of any managing agent or asset manager; or
- (c) terminate the appointment of any managing agent or asset manager,

in relation to the Mortgaged Property without the prior written consent of, and on terms approved by, the Lender.

7.10 Environmental matters

7.10.1 The Mortgagor must (subject to the terms of any Occupational Lease which obliges the Tenant under the terms of that Occupational Lease to undertake the following):

- (a) comply and ensure that any relevant third party complies with all Environmental Law at or in relation to the Mortgaged Property in all material respects;
- (b) obtain, maintain and ensure compliance with all requisite Environmental Permits applicable to it or to the Mortgaged Property; and
- (c) implement procedures to monitor compliance with and to prevent liability under any Environmental Law applicable to it or the Mortgaged Property.

where failure to do so has or is reasonably likely to have a Material Adverse Effect or result in any liability for the Lender.

7.10.2 The Mortgagor must, promptly upon becoming aware, notify the Lender of:

- (a) any Environmental Claim started, or to its knowledge, threatened;
 - (b) any circumstances reasonably likely to result in an Environmental Claim; or
 - (c) any suspension, revocation or notification of any Environmental Permit,
- relating to the Mortgaged Property.

7.10.3 The Mortgagor must indemnify the Lender against any loss or liability which:

- (a) it incurs as a result of any actual or alleged breach of any Environmental Law by any person; and
 - (b) would not have arisen if this Mortgage had not been entered into,
- unless it is caused by the Lender's gross negligence or wilful misconduct.

7.11 Land Registry

7.11.1 The Mortgagor consents to a restriction in the following terms being entered into on the Register of Title relating to any Mortgaged Property registered at the Land Registry:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated ** 2017 in favour of The Royal Bank of Scotland plc referred to in the charges register or their conveyancer. (Standard Form P)".

- 7.11.2 The Mortgagor consents to the registration of a notice against the Register of Title relating to any Mortgaged Property registered at the Land Registry that the Lenders are under an obligation to make further advances on the terms and subject to the conditions of the Finance Documents.

7.12 Deposit of title deeds

The Mortgagor must immediately procure that the Title Documents are held to the order of the Lender by a firm of solicitors approved by the Lender for that purpose.

7.13 VAT

The Mortgagor shall not alter the VAT status of the Mortgaged Property (without the prior written consent of the Lender not to be unreasonably withheld or delayed).

8 When Security Becomes Enforceable

8.1 Event of Default

This Security will become immediately enforceable if an Event of Default occurs.

8.2 Discretion

After this Security has become enforceable, the Lender may enforce all or any part of this Security in any manner it sees fit or as instructed in accordance with the Facility Agreement.

8.3 Statutory powers

The power of sale and other powers conferred by section 101 of the Act, as amended by this Deed, will be immediately exercisable at any time after this Security has become enforceable.

9 Enforcement of Security

9.1 General

- 9.1.1 For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.
- 9.1.2 Section 103 of the Act (restricting the power of sale) and section 93 of the Act (restricting the right of consolidation) do not apply to this Security.
- 9.1.3 The statutory powers of leasing conferred on the Lender are extended so as to authorise the Lender to lease, make agreements for leases, accept surrenders of leases and grant options as the Lender may think fit and without the need to comply with any provision of section 99 or section 100 of the Act.

9.2 No liability as mortgagee in possession

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

9.3 Privileges

The Lender and each Receiver is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act, except that section 103 of the Act does not apply.

9.4 Protection of third parties

No person (including a purchaser) dealing with the Lender or a Receiver or its or his/her agents will be concerned to enquire:

- (a) whether the Secured Liabilities have become payable;
- (b) whether any power which the Lender or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
- (c) whether any money remains due under the Finance Documents; or
- (d) how any money paid to the Lender or to that Receiver is to be applied.

9.5 Redemption of prior mortgages

9.5.1 At any time after this Security has become enforceable, the Lender may:

- (a) redeem any prior Security against any Security Asset; and/or
- (b) procure the transfer of that Security to itself; and/or
- (c) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the Mortgagor.

9.5.2 The Mortgagor must pay to the Lender, immediately on demand, the costs and expenses incurred by the Lender in connection with any such redemption and/or transfer, including the payment of any principal or interest.

9.6 Contingencies

If this Security is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, the Lender (or a Receiver) may pay the proceeds of any recoveries effected by it into a suspense account or other account selected by it.

10 Preservation of Security

10.1 Reinstatement

If any payment by the Mortgagor or discharge given by the Lender (whether in respect of the obligations of any Obligor or any Security for those obligations or otherwise) is avoided or reduced as a result of insolvency, liquidation, administration or any similar event:

- (a) the liabilities of the Mortgagor and the Security created by this Deed shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) the Lender shall be entitled to recover the value or amount of that Security or payment from the Mortgagor, as if the payment, discharge, avoidance or reduction had not occurred.

10.2 Waiver of defences

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

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any Obligor or any other person under the terms of any composition or arrangement with any person;
- (c) the taking, variation, compromise, exchange, renewal, enforcement or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over, assets of any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (e) any amendment (however fundamental), replacement, variation, novation, assignment or the avoidance or termination of a Finance Document or any other document or Security;
- (f) any unenforceability, illegality or invalidity of any obligation of, or any Security created by, any person under any Finance Document or any other document; or
- (g) any insolvency, liquidation, administration or similar procedure.

10.3 Mortgagor intent

Without prejudice to the generality of Clause 10.2 (*Waiver of defences*), the Mortgagor expressly confirms that it intends that the Security created by 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:

- (a) acquisitions of any nature;
- (b) increasing working capital;

- (c) enabling investor distributions to be made;
- (d) carrying out restructurings;
- (e) refinancing existing facilities;
- (f) refinancing any other indebtedness;
- (g) making facilities available to new borrowers;
- (h) 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.

10.4 Immediate recourse

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

10.5 Appropriations

During the Security Period the Lender may:

- (a) refrain from applying or enforcing any moneys, Security or rights held or received by it (or any trustee or agent on its behalf) in respect of the Secured Liabilities, or, subject to Clause 13 (*Application of moneys*), apply and enforce the same in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and the Mortgagor shall not be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from the Mortgagor or on account of the Secured Liabilities.

10.6 Deferral of Mortgagor's rights

During the Security Period and unless the Lender otherwise directs, the Mortgagor shall not exercise any rights which it may have by reason of performance by it of its obligations under this Deed or the enforcement of the Security created by this Deed:

- (a) to receive or claim payment from, or be indemnified by an Obligor;
- (b) to claim any contribution from any guarantor of, or provider of Security in respect of, any Obligor's obligations under the Finance Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender under any Finance Document or of any guarantee or Security taken pursuant to, or in connection with, the Finance Documents by the Lender;
- (d) to exercise any right of set-off against any Obligor; and/or
- (e) to claim or prove as a creditor of any Obligor in competition with the Lender.

10.7 Additional Security

This Legal Mortgage is in addition to, is not in any way prejudiced by and shall not merge with any contractual right or remedy or other Security now or in the future held by or available to the Lender.

11 Receiver

11.1 Appointment of Receiver

11.1.1 Except as provided below, the Lender may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:

- (a) this Security has become enforceable; or
- (b) the Mortgagor so requests to the Lender at any time.

11.1.2 Any appointment under Clause 11.1.1 above may be by deed, under seal or in writing under its hand.

11.1.3 Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the Act) does not apply to this Deed.

11.1.4 The Lender is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under section 1A of the Insolvency Act 1986.

11.1.5 The Lender may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Security Assets if the Lender is prohibited from so doing by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

11.2 Removal

The Lender may by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

11.3 Remuneration

The Lender may fix the remuneration of any Receiver appointed by it and the maximum rate specified in section 109(6) of the Act will not apply.

11.4 Agent of the Mortgagor

11.4.1 A Receiver will be deemed to be the agent of the Mortgagor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. The Mortgagor alone is responsible for any contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver.

11.4.2 The Lender will not incur any liability (either to the Mortgagor or to any other person) by reason of the appointment of a Receiver or for any other reason.

11.5 Relationship with Lender

To the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after this Security becomes enforceable be exercised by the Lender in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.

12 Powers of Receiver

12.1 General

- 12.1.1 A Receiver has all of the rights, powers and discretions set out below in this Clause 12 in addition to those conferred on it by any law. This includes all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and the Insolvency Act 1986.
- 12.1.2 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him/her states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

12.2 Possession

A Receiver may take immediate possession of, get in and realise any Security Asset.

12.3 Carry on business

A Receiver may carry on any business of the Mortgagor carried out at, or relating to, the Mortgaged Property in any manner he/she thinks fit.

12.4 Employees

- 12.4.1 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/she thinks fit.
- 12.4.2 A Receiver may discharge any person appointed by the Mortgagor from any duties relating to the Security Assets.

12.5 Borrow money

A Receiver may raise and borrow money either unsecured or on the security of any Security Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which he/she thinks fit.

12.6 Sale of assets

- 12.6.1 A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which he/she thinks fit.
- 12.6.2 The consideration for any such transaction may consist of cash or non-cash consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which he/she thinks fit.

12.6.3 Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the Mortgagor.

12.7 Leases

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

12.8 Compromise

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

12.9 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which he/she thinks fit.

12.10 Receipts

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

12.11 Subsidiaries

A Receiver may form a Subsidiary of the Mortgagor and transfer to that Subsidiary any Security Asset.

12.12 Delegation

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

12.13 Lending

A Receiver may lend money or advance credit to any person.

12.14 Protection of assets

A Receiver may:

- (a) effect any repair or insurance and do any other act which the Mortgagor might do in the ordinary conduct of its business to protect or improve any Security Asset;
- (b) commence and/or complete any building operation; and
- (c) apply for and maintain any planning permission, building regulation approval or any other Authorisation,

in each case as he/she thinks fit.

12.15 Other powers

A Receiver may:

- (a) do all other acts and things which he/she may consider necessary or desirable for realising any Security 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;
- (b) exercise in relation to any Security Asset all the powers, authorities and things which he/she would be capable of exercising if he/she were the absolute beneficial owner of that Security Asset; and
- (c) use the name of the Mortgagor for any of the above purposes.

13 Application of Proceeds

All amounts from time to time received or recovered by the Lender or any Receiver pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or part of this Security will be held by the Lender and applied in accordance with the Facility Agreement. This Clause 13:

- (a) is subject to the payment of any claims having priority over this Security; and
- (b) does not prejudice the right of the Lender to recover any shortfall from the Mortgagor.

14 Protection of the Lender and Receivers

14.1 Exclusion of liability

None of the Lender, any Receiver or any Delegate will be liable (including for negligence or any other category of liability) for:

- (a) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with this Deed or the Security Assets, unless directly caused by its gross negligence or wilful misconduct;
- (b) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with this Deed or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, this Deed;
- (c) any shortfall which arises on the enforcement or realisation of the Security Assets;
- (d) any loss resulting from any fluctuation in exchange rates in connection with any purchase of currencies under Clause 18.6 (*Currency conversion*); or
- (e) the loss of any title deed or other document relating to the Security Assets, unless directly caused by its gross negligence or wilful misconduct.

14.2 Chargor's Indemnity

- 14.2.1 The Chargor shall promptly indemnify the Lender, and every Receiver and Delegate against any cost, loss or liability incurred by any of them as a result of:

- (a) the taking, holding, protection or enforcement of the Security conferred by this Deed;
- (b) the exercise of any of the rights, powers, discretions, authorities and remedies vested in the Lender and each Receiver and any Delegate by this Deed or by law;
- (c) any default by the Chargor in the performance of any of the obligations expressed to be assumed by it in this Deed;
- (d) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts in connection with this Deed or the Security Assets; or
- (e) acting as Lender, Receiver or Delegate under this Deed or which otherwise relates to any of the Security Assets (otherwise, in each case, than by reason of the Lender's or the relevant Receiver's or Delegate's gross negligence or wilful misconduct).

14.2.2 The Lender and every Receiver and Delegate may indemnify itself out of the Security Assets in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this Clause 14.2 and shall have a lien on the Security conferred by this Deed and the proceeds of the enforcement of the Security Assets for all moneys payable to it.

15 Delegation

15.1 Power of Attorney

The Lender or any Receiver may, at any time, delegate by power of attorney or otherwise to any person for any period all or any right, power, authority or discretion exercisable by it under this Deed.

15.2 Terms

Any such delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Lender or that Receiver (as the case may be) may, in its discretion, think fit in the interests of the Lender.

15.3 Liability

Neither the Lender nor any Receiver shall be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of, any such delegate or sub-delegate.

16 Further Assurances

16.1.1 The Mortgagor must promptly, at its own expense, take whatever action the Lender or a Receiver may require for:

- (a) creating, perfecting or protecting any security over any Security Asset; or
- (b) facilitating the realisation of any Security Asset, or the exercise of any right, power or discretion exercisable, by the Lender or any Receiver or any of their respective delegates or sub-delegates in respect of any Security Asset.

16.1.2 The action that may be required under Clause 16.1.1 above includes:

- (a) the execution of any mortgage, charge, transfer, conveyance, assignment or assurance of any asset, whether to the Lender or to its nominees; or
- (b) the giving of any notice, order or direction and the making of any filing or registration;

which, in any such case, the Lender may consider necessary or desirable.

17 Power of Attorney

The Mortgagor, by way of security, irrevocably appoints the Lender, each Receiver and any of their respective delegates or sub-delegates jointly and severally to be its attorney with the full power and authority of the Mortgagor to execute, deliver and perfect all deeds, instruments and other documents in its name and otherwise on its behalf and to do or cause to be done all acts and things, in each case which may be required or which any attorney may in its absolute discretion deem necessary for carrying out any obligation of the Mortgagor under or pursuant to this Deed or generally for enabling the Lender or any Receiver to exercise the respective powers conferred on them under this Deed or by law. This power of attorney shall only be exercisable by the Lender, each Receiver and any of their respective delegates or sub-delegates, on the failure by the Mortgagor to perform any obligation of the Mortgage under or pursuant to this Deed or following the occurrence of an Event of Default. The Mortgagor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 17.

18 Miscellaneous

18.1 Registration at Companies House

The Mortgagor consents to the registration of this Deed at Companies House pursuant to Part 25 of the Companies Act 2006.

18.2 Continuing Security

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

18.3 Tacking

The Lender must perform its obligations under the Facility Agreement (including any obligation to make any further advances).

18.4 New Accounts

- 18.4.1 If any subsequent charge or other interest affects any Security Asset, the Lender may open a new account with the Mortgagor.
- 18.4.2 If the Lender does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other interest.
- 18.4.3 As from that time all payments made to the Lender will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liability.

18.5 Time deposits

Without prejudice to any right of set-off the Lender may have under any other Finance Document or otherwise, if any time deposit matures on any account the Mortgagor has with the Lender within the Security Period when:

- (a) this Security has become enforceable; and
- (b) no Secured Liability is due and payable,

that time deposit will automatically be renewed for any further maturity which the Lender considers appropriate.

18.6 Currency conversion

18.6.1 For the purpose of, or pending the discharge of, any of the Secured Liabilities, the Lender may convert any moneys received or recovered by the Lender from one currency to another, at a market rate of exchange.

18.6.2 The obligations of any Obligor to pay in the due currency shall only be satisfied to the extent of the amount of the due currency purchased after deducting the costs of conversion.

19 Release

At the end of the Security Period, unless any third party has any subrogation or other rights in respect of the Security created by this Deed at that time, the Lender must, at the request and cost of the Mortgagor, take whatever action is necessary to release its Security Assets from this Security.

20 Costs and expenses

20.1 Amendment costs

If the Mortgagor requests an amendment, waiver, consent or release of or in relation to this Deed, the Mortgagor shall, within three Business Days of demand, reimburse the Lender for the amount of all costs and expenses (including legal fees) reasonably incurred by it in responding to, evaluating, negotiating or complying with that request or requirement.

20.2 Enforcement costs

The Mortgagor shall, within three Business Days of demand, pay to the Lender or any Receiver or Delegate the amount of all costs and expenses (including legal fees) incurred by the Lender or any Receiver or Delegate in connection with the enforcement of, or the preservation of any rights under, this Deed or the investigation of any possible Default.

21 Assignment

The Lender may assign any of its rights under this Deed to any person to whom it assigns or transfers any of its rights or obligations under the Facility Agreement.

22 Notices

22.1 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.

22.2 Addresses

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

22.2.2 The addresses referred to in Clause 22.2.1 are:

(a) The Mortgagor:

129 Stamford Hill
London
N16 5TW

Attention: Mr E Englander

Fax: 020 8802 9774

(b) The Lender:

Commercial & Private Banking
280 Bishopsgate
London
EC2M 4RB

Attention: Portfolio Management

22.3 Delivery

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

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

and, if a particular department or officer is specified as part of its address details provided under Clause 22.2 (*Addresses*), if addressed to that department or officer.

22.3.2 Any communication or document to be made or delivered to the Lender will be effective only when actually received by the Lender and then only if it is expressly marked for the attention

of the department or officer identified in Clause 22.2.2 (or any substitute department or officer as the Lender shall specify for this purpose).

22.4 English language

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

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

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

23 Calculations and certificates

23.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with this Deed, the entries made in the accounts maintained by the Lender are *prima facie* evidence of the matters to which they relate.

23.2 Certificates and determinations

Any certification or determination by the Lender of a rate or amount under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

24 Partial invalidity

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 will in any way be affected or impaired.

25 Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of the Lender, any right or remedy 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.

26 Amendments and waivers

Any term of this Deed may be amended or waived only with the written consent of the Mortgagor and the Lender.

27 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.

28 Governing law and enforcement

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

28.1 Jurisdiction

- 28.1.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed) (a **Dispute**).
- 28.1.2 The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.
- 28.1.3 Notwithstanding Clause 28.1.1, the Lender shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Lender may take concurrent proceedings in any number of jurisdictions.

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

Schedule 1 – Mortgaged Property

Description and address	Title number
187/197 (odd) Lewisham High Street, London	TGL20306
1-18 Elysian Fields, Meadowgate Road, Salford	GM566107

Schedule 2 – Forms of Letter for Insurers

Part 1– Notice to Insurer

To: [Insurer]

Copy: The Royal Bank of Scotland plc

[Date]

Dear Sirs,

Legal Mortgage dated ** between Farmhold Investments Limited and The Royal Bank of Scotland plc (the Legal Mortgage)

This letter constitutes notice to you that under the Legal Mortgage we have assigned absolutely (by way of security), to The Royal Bank of Scotland plc (the Lender) all our rights in respect of *[insert details of contract of insurance]* and any other present or future contract or policy of insurance in relation to *[insert details of the Mortgaged Property]* to which we are a party or in which we have an interest (the Insurance).

We confirm that:

- (a) we will remain liable under the Insurance to perform all the obligations assumed by us under the Insurance; and
- (b) none of the Lender, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Insurance (unless, and to the extent, otherwise expressly provided for in the Insurance).

We will also remain entitled to exercise all our rights, powers and discretions under the Insurance, and you should continue to give notices and make payments under the Insurance to us (unless, and to the extent, otherwise expressly provided for in the Insurance or in any insurer letter you may have issued to the Lender in respect of the Insurance), unless and until you receive notice from the Lender to the contrary stating that the security under the Legal Mortgage has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given and payments must be made to, the Lender or as it directs (unless, and to the extent, otherwise expressly provided for in the Insurance or in any insurer letter you may have issued to the Lender in respect of the Insurance).

We irrevocably instruct and authorise you to disclose to the Lender any information relating to the Insurance requested from you by the Lender.

The instructions in this letter may not be revoked or amended without the prior written consent of the Lender.

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

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Lender at [address] with a copy to us.

Yours faithfully,

.....
(Authorised signatory)
Farmhold Investments Limited

Part 2 – Acknowledgement of Insurer

To: The Royal Bank of Scotland plc

Copy: Farmhold Investments Limited

[Date]

Dear Sirs,

Legal Mortgage dated ** between Farmhold Investments Limited and The Royal Bank of Scotland plc (the Legal Mortgage)

We confirm receipt from [Farmhold Investments Limited] (the **Mortgagor**) of a notice dated ** (the **Notice**) of an assignment on the terms of the Legal Mortgage of all the Mortgagor's rights in respect of [insert details of the contract of insurance] and any other present or future contract or policy of insurance in relation to [insert details of the Mortgaged Property] to which we are a party or in which we have an interest (the **Insurance**).

We confirm that we:

- (a) accept the instructions contained in the Notice and agree to comply with the Notice; and
- (b) will give notices and make payments under the Insurance as directed in the Notice.

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

Yours faithfully,

.....
(Authorised signatory)
[Insurer]

Signatories

Executed as a deed by
Farmhold Investments Limited
acting by a
director in the presence of:

)
)
)



SHULEM ZVI ENGLANDER

Signature of witness:

A handwritten signature in ink, appearing to be 'Francis J. J. J. J.'.

Name of witness:

FRANCIS J. J. J. J.

Address

4 FANNABOE AV.

LONDON SE 24

.....

Signed for and on behalf of
The Royal Bank of Scotland plc

)
)

Signatories

Executed as a deed by
Farmhold Investments Limited
acting by a
director in the presence of:

)
)
)

Signature of witness:

.....

Name of witness:

.....

Address

.....

.....

.....

Signed for and on behalf of
The Royal Bank of Scotland plc

)
)



PETER NASH