

MR01

Particulars of a charge



Companies House

101148/39

A fee is payable with this form
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online.
Please go to www.companieshouse.gov.uk

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

☒ **What this form is NOT for**
You may not use this form to
register a charge where there is no
instrument Use form MR08

For further information, please
refer to our guidance at
www.companieshouse.gov.uk

This form must be delivered to the Registrar for registration within
21 days beginning with the day after the date of creation of the charge
delivered outside of the 21 days it will be rejected unless it is accompanied
by a court order extending the time for delivery



You must enclose a certified copy of the instrument with this form. This
must be scanned and placed on the public record

WEDNESDAY



A34YIJFE

A23

02/04/2014

#172

COMPANIES HOUSE

1 Company details

Company number 0 2 0 4 6 3 5 6

Company name in full Groscope Limited

48 For official use

→ Filing in this form
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 2 7 0 3 2 0 1 4

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name Svenska Handelsbanken (AB) Publ

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

MR01

Particulars of a charge

4

Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

Continuation page

Please use a continuation page if you need to enter more details

Description

20 Airlie Street, Hull - HS63958
11 Wellsted Street, Hull - HS5101
2 Devonshire Villas, Hull - HS187507
63 Carrington Street, Hull - HS330006

5

Fixed charge or fixed security

Does the instrument include a fixed charge or fixed security over any tangible or intangible (or in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☒ **Yes**

☐ **No**

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☐ **Yes** Continue

☒ **No** Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ **Yes**

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the chargor from creating any further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ **Yes**

☐ **No**

MR01

Particulars of a charge

8

Trustee statement ¹

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

¹ This statement may be filed after the registration of the charge (use form MR06)

9

Signature

Please sign the form here

Signature

Signature

X 

X

This form must be signed by a person with an interest in the charge

MR01

Particulars of a charge



Presenter information

We will send the certificate to the address entered below. All details given here will be available on the public record. You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address.

Contact name
Kelly Bannister

Company name
James Legal

Address
Planet House, 2 Woodhouse Street

Post town
Hull

County/Region

Postcode
H U 9 1 R J

Country

DX

Telephone
01482 974480



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register
- ☐ You have included a certified copy of the instrument with this form
- ☐ You have entered the date on which the charge was created
- ☐ You have shown the names of persons entitled to the charge
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☐ You have given a description in Section 4, if appropriate
- ☐ You have signed the form
- ☐ You have enclosed the correct fee
- ☐ Please do not send the original instrument, it must be a certified copy



Important information

Please note that all information on this form will appear on the public record.



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'.



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below.

For companies registered in England and Wales

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 2046356

Charge code 0204 6356 0048

The Registrar of Companies for England and Wales hereby certifies that a charge dated 27th March 2014 and created by GIROSCOPE LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 2nd April 2014

A handwritten signature in black ink, consisting of a large loop followed by a short horizontal stroke.

Given at Companies House, Cardiff on 8th April 2014



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

THIS LEGAL CHARGE is made on 27th March 2014 BETWEEN:

- (1) Giroscope Limited company number 02046356 (the "**Borrower**"), and
 (2) Svenska Handelsbanken AB (publ) (the "**Bank**")

IT IS AGREED as follows

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed, unless the context otherwise requires

"**Authorisations**" means all authorisations, consents and permits issued by any governmental body agency, department or regulatory, self-regulatory or other authority including, without limitation, local and public authorities and statutory undertakings

"**Charged Assets**" means all the undertaking, property and assets of the Borrower described in clause 3.1 (*Fixed charge*) including any part thereof and any interest therein

"**Collateral Instruments**" means instruments, guarantees, indemnities and other assurances against financial loss and any other documents which contain or evidence an obligation to pay or discharge any liabilities of any person

"**Enforcement Date**" means the date on which the Bank demands the payment or discharge of all or any part of the Secured Liabilities or, if earlier, the date on which an application is made or other action is taken for the administration of the Borrower

"**Insurances**" means all contracts or policies of insurance in which the Borrower from time to time has an interest

"**Party**" means a party to this Deed and includes its successors in title, permitted assigns and permitted transferees, whether immediate or derivative

"**Planning Acts**" means the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991 and the Planning and Compulsory Purchase Act 2004, and any subordinate legislation made (before or after this Deed) under those statutes and any other statute governing or controlling the use or development of land and property

"**Property**" means the property known as

20 Arlie Street, Hull and registered at Land Registry under title number N563958

11 Wellstead Street, Hull and registered at Land Registry under title number N55101


2 Devonshire Villas, Hull and registered at Land Registry under title number N5187507

63 Carrington Street, Hull and registered at Land Registry under title number N5330006

"**Receiver**" means any one or more receivers and/or managers appointed by the Bank pursuant to this Deed in respect of the Borrower or over all or any of the Charged Assets

"**Security Interest**" means any mortgage, charge, pledge, lien, hypothecation, assignment by way of security, right of set-off, trust arrangement for the purpose of providing security or any other encumbrance securing any obligation of any person or any other type of preferential arrangement (including, without limitation, title transfer and retention arrangements) having a similar effect

"**Secured Liabilities**" means all moneys, obligations and liabilities covenanted to be paid or discharged under or pursuant to clause 2 (*Covenant to pay*)

We hereby certify
 that this is the true
 copy of the original
 James Legal Solicitors
 Date 1/4/2014 
 James Legal Planet House
 2 Woodhouse Street
 Hedon Road
 Hull HU9 1RJ

"Security Period" means the period from the date of this Deed until the Bank confirms in writing to the Borrower that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full

1.2 Construction

1.2.1 Any reference in this Deed to

- (i) an **"amendment"** includes amendment, implement, novation, re-enactment, replacement, reinstatement or variation and **"amend"** or **"amended"** will be considered accordingly,
- (ii) **"assets"** includes present and future property, revenues and rights of every description,
- (iii) **"consent"** shall be construed as including, without limitation, any authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration
- (iv) **"this Deed"** or any other agreement or instrument is a reference to this Deed or that other agreement or instrument as the same may have been, or may from time to time be, amended, novated, replaced, restated or supplemented provided that, where the consent of the Bank is required to such amendment, novation, replacement, restatement or supplement, such consent has been obtained,
- (v) a **"guarantee"** includes any guarantee, indemnity, counter indemnity or other assurance in respect of the indebtedness of any person,
- (vi) the words **"includes"**, **"including"** and **"in particular"** shall be construed as being by way of illustration or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any foregoing words,
- (vii) **"law"** includes common or customary law, principles of equity and any constitution, code of practice, decree, judgement, decision, legislation, order, ordinance, regulation, bye-law, statute, treaty or other legislative measure in any jurisdiction or any present or future directive, regulation, guideline, request, rule or requirement (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the general practice of persons to whom the directive, regulation, guideline, request, rule or requirement is intended to apply) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation,
- (viii) a **"person"** includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing,
- (ix) a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of the law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation,
- (x) **"rights"** includes all rights, title, benefits, powers, privileges, interests, claims, authorities, discretions, remedies, liberties, easements, quasi-easements and appurtenances (in each case, of every kind, present, future and contingent), and
- (xi) **"security"** or **"security interest(s)"** includes any mortgage, charge, pledge, lien, security assignment, hypothecation or, trust or other arrangement for the purpose of providing security and any other encumbrance or security interest of any kind having the effect of securing any obligation of any person (including, without limitation, the deposit of moneys, property or title documents with a person with the intention of affording such person a right of set-off or lien) and any other agreement or any other type of arrangement having a similar effect

1 2 2 Clause and schedule headings are for ease of reference only

1 2 3 A reference in this Deed to any person includes that person's successors in title, whether immediate or derivative and (in the case of the Bank only) its permitted assignees and permitted transferees, whether immediate or derivative

1 2 4 If two or more persons are included in the definition "Borrower" then the use in this deed of the word "Borrower" shall be deemed to refer to such persons both together and separately and the Borrower's obligations shall be their joint and several obligations and each of them shall be primarily liable by way of indemnity for the liabilities to the Bank of the other or others of them

2 COVENANT TO PAY

2.1 Covenant

The Borrower covenants that it will on demand pay to the Bank all moneys and discharge all obligations and liabilities now or hereafter due, owing or incurred by it to the Bank when the same become due for payment or discharge whether by acceleration or otherwise, and whether such moneys, obligations or liabilities are expressed or implied, present, future or contingent, joint or several, incurred as principal or surety, originally owing to the Bank or purchased or otherwise acquired by it, denominated in sterling or in any other currency, or incurred on any banking account or in any other manner whatsoever

2.2 Certain liabilities

The liabilities referred to in clause 2 1 (*Covenant*) shall, without limitation, include

2 2 1 all liabilities under or in connection with foreign exchange transactions, interest rate swaps and hedging transactions and other arrangements entered into for the purpose of limiting exposure to fluctuations in interest or exchange rates,

2 2 2 all liabilities arising from the issue, acceptance, endorsement, confirmation or discount of any negotiable or non-negotiable instruments, documentary or other credits, bonds, guarantees, indemnities or other instruments of any kind,

2 2 3 interest (both before and after judgement) to date of payment at such rates and on such terms as may from time to time be agreed, commission, fees and other charges and all legal and other costs, charges and expenses on a full and unqualified indemnity basis which may be incurred by the Bank in relation to any such moneys, obligations or liabilities or generally in respect of the Borrower, and

2 2 4 all costs, charges, expenses and liabilities incurred as a result of or pursuant to the exercise of the rights and powers contained in this Deed

3 CHARGES

3.1 Fixed charge

The Borrower charges to the Bank with full title guarantee as a continuing security for the payment and discharge of the Secured Liabilities the following assets, both present and future

3 1 1 by way of legal mortgage the Property, and

3 1 2 by way of fixed charge

(i) all plant and machinery owned by the Borrower and its interest in any plant and machinery in its possession located at the Property,

(ii) all fixtures and fittings from time to time attached to the Property,

(iii) all other chattels of the Borrower located at the Property and not ordinarily disposed of in the ordinary course of business,

(iv) all benefits in respect of the Insurances including all claims and the refund of any premiums,

(v) all rents receivable from any lease granted of the Property, and

(vi) all the goodwill of the Borrower's business carried on at the Property

- 3.2 The Borrower confirms and agrees that at any time on or after the Enforcement Date, the Bank and/or any Receiver may – as agent for the Borrower – sell any assets of the Borrower which have not been removed from the Property. The Borrower hereby assigns and agrees to assign the proceeds of such sale to the Bank and agrees that the Bank may apply such proceeds in reduction of the Secured Liabilities

3.3 Set Off

The Borrower hereby agrees that the Bank may at any time and from time to time without notice, set off any amounts owed by it to the Borrower in or towards satisfaction of the Secured Liabilities (which shall be in addition to and without prejudice to such rights of set-off, combination, lien and other rights whatsoever conferred on the Bank by law) and may transfer any sum or sums standing to the credit of any account of the Borrower with the Bank at any of its branches, of whatever nature and in whatever currency denominated, in or towards satisfaction of any sums due and payable from the Borrower to the Bank under this Deed or in or towards satisfaction of the Secured Liabilities

If the liability in respect of which the Bank is exercising its rights of set-off is contingent, or not yet payable, it shall automatically be accelerated, and shall accordingly be due and payable, before and at the time of such set-off. If the sums standing to the credit of any account of the Borrower with the Bank at any of its branches against which set-off is to be made are not due or matured or otherwise payable, they shall notwithstanding anything to the contrary contained in this Deed be deemed already to be so for the purposes of the set-off contemplated in this clause provided that the Bank shall not be obliged to exercise any right given to it by this clause

4 UNDERTAKINGS

4.1 Duration

The undertakings in this clause 4 remain in force during the Security Period

4.2 Negative Pledge

The Borrower will not create or agree to create or permit to subsist any Security Interest over the Charged Assets

4.3 Deposit of deeds

The Borrower will deposit with the Bank (to be held at the risk of the Borrower) all deeds and documents of title relating to the Property and such other Charged Assets as the Bank may require

4.4 Development and alterations

- 4.4.1 The Borrower will not, without the prior written consent of the Bank, make or permit others to make any application for planning permission in respect of any part of the Property or make any structural or material alteration or addition to the Property or carry out or permit to be carried out any development (within the meaning of that expression in the Planning Acts) on any part of the Property

- 4.4.2 In the event that, during the Security Period, the Property is intended to be developed or is in the course of development (in each case with the prior written consent of the Bank), the Borrower shall

(i) proceed diligently and to the reasonable satisfaction of the Bank and any competent authority with such development in all respects in conformity with all planning and by-law consents which shall together with the plans and specifications be produced to the Bank for approval prior to the commencement of any works of development, and

(ii) obtain such further insurance as shall be required and specified by the Bank

4.5 Repair

The Borrower will keep all its buildings, fixtures, fittings, plant and machinery (or procure that they are kept) in good repair and in good working order and condition (fair wear and tear excepted in the case of

fixtures, plant and machinery) and fully protected against damage or deterioration and not commit any waste thereon or lessen the value thereof

4.6 Access

The Borrower will permit any person appointed by the Bank, without the Bank becoming liable to account as mortgagee in possession, (at reasonable times and on reasonable notice) to enter on and inspect the state of the Property and other premises (if any) on which the Borrower shall from time to time be carrying out any contract or other works

4.7 Notices

4 7 1 The Borrower will, within 5 Business Days of receipt, give full particulars to the Bank of any notice, order, direction, designation, resolution or proposal having specific application to the Property or to the area in which it is situate, given or made by any planning authority or other public body or authority whatever or in pursuance of the powers conferred by any other statute

4 7 2 The Borrower will, if requested by the Bank, without delay and at its own cost take all reasonable or necessary steps to comply with any such notice or order

4 7 3 The Borrower will further, if requested by the Bank, but at its own cost, make or join with the Bank in making such objections or representations against or in respect of any proposal for such a notice or order as the Bank shall reasonably deem expedient

4 7 4 Any compensation received by the Borrower as a result of any notice or order shall be applied in repayment of the Secured Liabilities

4 8 Planning Acts

The Borrower will

4 8 1 not do or knowingly omit or knowingly suffer to be done or omitted any act, matter or thing in, on or in respect of the Property required to be done or omitted by the Planning Acts or which shall contravene the provisions of the Planning Acts, and

4 8 2 indemnify and keep indemnified the Bank against all actions, proceedings, costs, expenses, claims and demands whatsoever in respect of any such act, matter or thing so contravening the provisions of the Planning Acts

4.9 Land Registration Acts

4 9 1 The Borrower will not, without the prior written consent of the Bank

(i) permit any person to be registered as proprietor under the Land Registration Acts of the Property,

(ii) create or knowingly permit to arise or subsist any overriding interest affecting the Property within the definition in the Land Registration Acts, or

(iii) permit any person to become entitled to any proprietary right or interest which might reasonably be expected adversely to affect the value of the Property or any other Charged Asset thereon

4 9 2 The costs incurred by the Bank in lodging from time to time a notice or restriction against registration of the Property shall be deemed to be costs properly incurred by it under this Deed

4.10 Insurances

4 10 1 The Borrower shall effect insurance of the Charged Assets all such insurances to be in amount and in form and with an insurance company or underwriters acceptable to the Bank (acting reasonably)

4 10 2 The Borrower will procure that the Bank is co-insured on each such insurance policy and that every such policy shall contain

(i) a standard mortgagee clause whereby such insurance shall not be vitiated or avoided as against a mortgagee in the event or as a result of any misrepresentation, act or neglect or failure

to make disclosure on the part of the insured party or any circumstance beyond the control of the insured party, and

- (ii) terms providing that it shall not be invalidated so far as the Bank is concerned for failure to pay any premium due without the insurer first giving to the Bank not less than 14 days' written notice

4 10 3 If the Borrower fails to comply with any of the provisions of this clause, the Bank shall immediately be entitled to effect the Insurances concerned at the expense of the Borrower

4 10 4 Except as provided below, the proceeds of any insurance in respect of physical damage must be used towards replacing, restoring or reinstating the Property

4 10 5 At the Bank's request insurance proceeds in respect of physical damage shall be used to prepay the Secured Liabilities and until such payment occurs the Borrower shall hold the insurance proceeds on trust for the Bank (the perpetuity period for which trust shall be 80 years)

4.11 Restrictions on dealing with Charged Assets

4 11 1 The Borrower will not, without the prior written consent of the Bank (whether by a single transaction or a series of related or unrelated transactions and whether at the same time or over a period of time) sell, transfer, lease or otherwise dispose of any of the Charged Assets or agree to do so

4 11 2 The Borrower shall not, without first obtaining the express written permission of the Bank, exercise any of the powers of leasing or of accepting surrenders of leases conferred by sections 99 and 100 of the Law of Property Act 1925 or by common law or vary any lease or tenancy agreement or reduce any sum payable under the same

4.12 Power to remedy

4 12 1 If the Borrower at any time defaults in complying with any of its obligations contained in this Deed, the Bank shall, without prejudice to any other rights arising as a consequence of such default, be entitled to make good such default and the Borrower irrevocably authorises the Bank and its employees and agents by way of security to do all such things necessary or desirable in connection with the same

4 12 2 Any moneys so expended by the Bank shall be repayable by the Borrower to the Bank on demand

4.13 Leasehold Property

If the Property is leasehold, the Borrower undertakes to comply with the terms of the lease and immediately inform the Bank if any notice is received from the lessor relating to any actual or suggested breach of the lease or threatening action or proceedings for possession or to forfeit the lease

5 FURTHER ASSURANCE

5.1 Further assurance

The Borrower shall, if and when required by the Bank

5 1 1 execute such further Security Interests and assurances in favour of the Bank and do all such acts and things as the Bank shall from time to time require over or in relation to all or any of the Charged Assets to secure the Secured Liabilities or to perfect or protect the security intended to be created by this Deed over the Charged Assets or any part thereof or to facilitate the realisation of the same, and

5 1 2 affix to such items of the Charged Assets or endorse or cause to be endorsed thereon as the Bank shall stipulate such labels, signs, memoranda or other recognisable identification markings as the Bank shall require referring or drawing attention to the security constituted by or pursuant to this Deed

6 POWERS OF THE BANK

6.1 Powers on enforcement

At any time on or after the Enforcement Date, or if requested by the Borrower, the Bank may, without further notice and whether or not a Receiver shall have been appointed, exercise all the powers

conferred on mortgagees by the Law of Property Act 1925, as varied or extended by this Deed, and all the powers and discretions conferred by this Deed on a Receiver either expressly or by reference

6.2 Subsequent Security Interests

- 6 2 1 If the Bank receives notice of any subsequent Security Interest affecting the Charged Assets or any part thereof, the Bank may open a new account for the Borrower
- 6 2 2 If it does not open a new account then, unless the Bank gives express written notice to the contrary to the Borrower, it shall nevertheless be treated as if it had opened a new account at the time when it received such notice and as from that time all payments made by or on behalf of the Borrower to the Bank shall be credited or be treated as having been credited to the new account and shall not operate to reduce the Secured Liabilities at the time when it received such notice

6.3 Statutory power of leasing

The Bank shall have the power to lease and make agreements for leases at a premium or otherwise, to accept surrenders of leases and to grant options on such terms as the Bank shall consider expedient and without the need to observe any of the provisions of sections 99 and 100 of the Law of Property Act 1925

6.4 Contingencies

- 6 4 1 If the Bank enforces the security constituted by this Deed at a time when no amount in respect of the Secured Liabilities is due and payable, the Bank (or the Receiver) may pay the proceeds of any recoveries effected by it into a suspense account
- 6 4 2 The Bank may (subject to the payment of any claims having priority to this security) withdraw amounts standing to the credit of such account for application as follows
- (i) paying all costs, charges and expenses incurred and payments made by the Bank (or the Receiver) in the course of such enforcement,
 - (ii) paying remuneration to the Receiver as and when the same becomes due and payable, and
 - (iii) paying amounts due and payable in respect of the Secured Liabilities as and when the same become due and payable

6.5 Power of sale and right of consolidation

Sections 93 and 103 of the Law of Property Act 1925 do not apply to the security constituted by this Deed

7 APPOINTMENT AND POWERS OF RECEIVER

7.1 Appointment

- 7 1 1 At any time on or after the Enforcement Date, or if requested by the Borrower, the Bank may by instrument in writing executed as a deed or under the hand of any duly authorised officer appoint a Receiver of the Charged Assets or any part thereof
- 7 1 2 Where more than one Receiver is appointed, each joint Receiver shall have power to act severally, independently of any other joint Receivers, except to the extent that the Bank may specify to the contrary in the appointment
- 7 1 3 The Bank may (subject to section 45 of the Insolvency Act 1986) remove any Receiver so appointed and appoint another in his place and may (subject to the provisions of any applicable law) replace an administrator of the Borrower previously appointed by the Bank where there is a vacancy in such office

7.2 Receiver as agent

A Receiver shall be the agent of the Borrower and the Borrower shall be solely responsible for his acts or defaults and for his remuneration

7.3 Powers of Receiver

A Receiver shall have all the powers conferred from time to time on receivers, administrative receivers and administrators by statute and power on behalf and at the expense of the Borrower to do, or omit to do, anything which the Borrower could do, or omit to do, in relation to the Charged Assets or any part thereof including

- 7 3 1 take possession of, collect and get in, and give a good discharge for, all or any of the Charged Assets, and/or
- 7 3 2 exercise in respect of the Charged Assets all voting or other powers or rights available to a registered or other holder in such manner as he may think fit, and/or
- 7 3 3 carry on, manage, develop, reconstruct, amalgamate or diversify the business of the Borrower or any part thereof, and/or
- 7 3 4 lease or otherwise acquire and develop or improve properties or other assets without being responsible for loss or damage, and/or
- 7 3 5 raise or borrow any money from or incur any other liability to the Bank or others on such terms, with or without security, as he may think fit and so that any such security may be or include a charge on the whole or any part of the Charged Assets ranking in priority to this security or otherwise, and/or
- 7 3 6 sell, let, surrender or accept surrenders, grant licences or otherwise dispose of or deal with all or any of the Charged Assets for such consideration and generally on such terms and conditions as he may think fit and the consideration for such sale, lease or disposition may be for cash, debentures or other obligations, shares, stock, securities or other valuable consideration and be payable immediately or by instalments spread over such period as he shall think fit and so that any consideration received or receivable shall immediately be and become charged with the payment of all the Secured Liabilities, and/or
- 7 3 7 promote the formation of companies with a view to the same becoming a Subsidiary of the Borrower and purchasing, leasing, licensing or otherwise acquiring interests in all or any of the Charged Assets or otherwise, arrange for such companies to trade or cease to trade and to purchase, lease, license or otherwise acquire all or any of the Charged Assets on such terms and conditions as he may think fit, and/or
- 7 3 8 make any arrangement or compromise or enter into, or cancel, any contracts which he shall think expedient, and/or
- 7 3 9 make and effect such repairs, renewals and improvements to the Charged Assets or any part thereof as he may think fit and maintain, renew, take out or increase insurances, and/or
- 7 3 10 appoint managers, agents, officers and employees for any of the purposes referred to in this clause 7 3, and/or
- 7 3 11 make calls conditionally, or unconditionally, on the members of the Borrower in respect of uncalled capital, and/or
- 7 3 12 institute, continue, enforce, defend, settle or discontinue any actions, suits or proceedings in relation to the Charged Assets or any part thereof or submit to arbitration as he may think fit, and/or
- 7 3 13 delegate his powers in accordance with clause 10 (*Delegation*), and/or
- 7 3 14 sign any document, execute any deed and do all such other acts and things as may be considered by him to be incidental or conducive to any of the matters or powers referred to in this clause 7 3 or to the realisation of the security created by or pursuant to this Deed and to use the name of the Borrower for all the purposes referred to in this clause 7 3

7.4 Remuneration

The Bank may from time to time determine the remuneration of any Receiver and section 109(6) of the Law of Property Act 1925 shall be varied accordingly

8 APPLICATION OF PROCEEDS

All moneys received by the Bank or by any Receiver shall be applied, after the discharge of the remuneration and expenses of the Receiver and all liabilities having priority to the Secured Liabilities, in or towards satisfaction of such of the Secured Liabilities and in such order as the Bank in its absolute discretion may from time to time conclusively determine, except that the Bank may credit the same to a suspense account for so long and in such manner as the Bank may from time to time conclusively determine and the Receiver may retain the same for such period as he and the Bank consider expedient

9 PROTECTION OF THIRD PARTIES

9.1 Deemed right to enforce

In favour of any purchaser (as defined in section 205 of the Law of Property Act 1925) or person dealing in good faith, the Secured Liabilities shall be deemed to become due, and all rights of enforcement conferred on the Bank by the Law of Property Act 1925, as varied and extended by this Deed, shall be deemed to arise, immediately after the execution of this Deed

9.2 No enquiry required

No purchaser or other person dealing with the Bank or a Receiver shall be bound or concerned to enquire whether any power exercised or purported to be exercised under this Deed has become exercisable or whether any money is due on the security of this Deed or as to the propriety or regularity of any sale by, or other dealing with, the Bank or such Receiver or be concerned with notice to the contrary. Any such sale or dealing shall be deemed to be within the powers conferred by this Deed and to be valid and effectual accordingly

10 DELEGATION

The Bank and any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed. Any such delegation may be made on the terms (including power to sub-delegate) and subject to any regulations which the Bank or such Receiver (as the case may be) may think fit. Neither the Bank nor any Receiver will be in any way liable or responsible to the Borrower for any loss or liability arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate

11 INDEMNITIES

11.1 Enforcement costs

The Borrower shall on demand, indemnify the Bank against any cost, loss or liability incurred by the Bank or by any Receiver as a result of the enforcement, preservation or attempted preservation of any of the security created by or pursuant to this Deed or any of the Charged Assets

11.2 Indemnity from Charged Assets

The Bank and any Receiver, attorney, agent or other person appointed by the Bank under this Deed and the officers and employees of the Bank and any such Receiver, attorney, agent or other person (each an "Indemnified Party") shall be entitled to be indemnified out of the Charged Assets in respect of all costs and losses which may be incurred by, or made against, any of them (or by or against any manager, agent, officer or employee for whose liability, act or omission any of them may be answerable) at any time relating to or arising out of or as a consequence of

- 11.2.1 anything done or omitted in the exercise, or purported exercise, of the powers contained in this Deed, or
- 11.2.2 any breach by the Borrower of any of its obligations under this Deed, or
- 11.2.3 any claim made or asserted against an Indemnified Party which would not have arisen if this Deed had not been executed and which was not caused by the gross negligence or wilful default of the relevant Indemnified Party

12 POWER OF ATTORNEY

12.1 Power of attorney

The Borrower, by way of security (and to secure proprietary interests of any delegates), irrevocably appoints each of the Bank and any Receiver and their respective delegates severally to be its attorney in its name and on its behalf.

- 12 1 1 to execute and complete any documents or instruments which the Bank or such Receiver may require for perfecting the title of the Bank to the Charged Assets or for vesting the same in the Bank, its nominee or any purchaser,
- 12 1 2 to sign, execute, seal and deliver, and otherwise perfect, any further Security Interest or document referred to in clause 5 1 (*Further assurance*), and
- 12 1 3 otherwise generally to sign, seal, execute and deliver all deeds, agreements and other documents and to do all acts and things which may be required for the full exercise of all or any of the powers conferred on the Bank or a Receiver under this Deed or which may be deemed expedient by the Bank or a Receiver in connection with any disposition, realisation or getting in of the Charged Assets or any part thereof or in connection with any other exercise of any power under this Deed

12.2 Ratification

The Borrower ratifies and confirms and agrees to ratify and confirm all acts and things which any attorney pursuant to clause 12 1 (*Power of attorney*) shall do, or purport to do, in the exercise of his powers under clause 12 1 (*Power of attorney*)

13 MISCELLANEOUS PROVISIONS

13.1 Continuing security

This Deed and the obligations of the Borrower under this Deed shall

- 13 1 1 secure the ultimate balance of the Secured Liabilities and shall be a continuing security notwithstanding any settlement of account or other matter whatsoever,
- 13 1 2 be in addition to, and not prejudice or affect, any present or future Collateral Instrument, Security Interest, right or remedy held by or available to the Bank, and
- 13 1 3 not merge with, or be in any way prejudiced or affected by the existence of, any such Collateral Instrument, Security Interest, right or remedy

13.2 Settlements conditional

Any settlement or discharge between the Bank and the Borrower shall be conditional on no security of, or disposition or payment to, the Bank (whether by the Borrower or otherwise) being avoided or reduced or required to be paid away or refunded by virtue of any requirement or enactment (in each case whether or not having the force of law and whether relating to bankruptcy, insolvency, liquidation, administration or otherwise) at any time in force or by virtue of any obligation to give effect to any preference or priority and the Bank shall be entitled to recover the value or amount of any such security or payment from the Borrower and to enforce this Deed as if such settlement or discharge had not occurred

13.3 Land Registry

- 13 3 1 In respect of the Property charged by this Deed, the title to which is or is to be registered at the Land Registry, the Borrower
 - (i) certifies that the security created by this Deed does not contravene any of the provisions of the constitutional documents of the Borrower, and
 - (ii) hereby applies to the Land Registry for the entry of the following restriction in the Proprietorship Register of any relevant Property

- (e) by way of fixed charge all present and future amounts owing or which may become owing to the Mortgagor under any building, construction or development contract entered into in connection with the Mortgaged Property or by virtue of the Mortgagor's rights under any retention or other trusts in connection therewith, whether or not any certificate as to the amount due has been issued in respect thereof (and the proceeds thereof),
- (f) by way of fixed charge all present and future book and other debts other monetary claims and choses in action owing or belonging to the Mortgagor and arising in connection with the Mortgaged Property or any business at any time carried on thereat (insofar as not charged by 4 3(a) - 4 3(e) inclusive) (including without limitation any ground rents, rent charges, rent deposits, purchase deposits, dilapidations and monies payable to the Mortgagor pursuant to any Enfranchising Legislation) (and in each case the proceeds thereof), and
- (g) by way of floating charge all the Mortgaged Chattels

4 4 The Mortgagor with full title guarantee assigns to the Bank the goodwill of the business (if any) now or at any time hereafter carried on by the Mortgagor at the Mortgaged Property and the full benefit of the Mortgaged Licences (if any) and also the full right to recover and receive all compensation which may at any time become payable to the Mortgagor by virtue of the Licensing Act 2003 or any other statutory enactment, subject to re-assignment upon payment of all the Secured Obligations

4 5

- (a) The Mortgagor with full title guarantee assigns to the Bank the benefit of all guarantees or covenants by any surety or sureties of any of the lessee's obligations under any existing lease or underlease of the Mortgaged Property, subject to re-assignment upon payment of all the Secured Obligations
- (b) The Mortgagor shall at any time if and when required by the Bank execute to the Bank or as the Bank shall direct an assignment or assignments of the benefit of all guarantees or covenants by any surety or sureties of any of the lessee's obligations under any lease or underlease of the Mortgaged Property hereafter granted to secure the Secured Obligations, such assignments to be prepared by or on behalf of the Bank at the cost of the Mortgagor and to contain all such clauses for the benefit of the Bank as the Bank may require

4 6 Where the Mortgagor (by virtue of an estate or interest in the Mortgaged Property) is or becomes entitled to a share or shares in any company connected with the Mortgaged Property

- (a) the Mortgagor with full title guarantee charges by way of fixed charge the entitlement to such share or shares, and such share or shares when issued and all rights, benefits and advantages at any time arising in respect of the same (hereinafter called the "Share(s)") as a continuing security for the payment to the Bank of the Secured Obligations, and
- (b) subject to the rights of the holder(s) for the time being of any Prior Mortgage(s), the Mortgagor shall (if the Bank so requires) transfer the Share(s) to the Bank or as the Bank shall direct and shall deposit the certificate(s) relating to the Share(s) with the Bank

- 4 7 The Mortgagor with full title guarantee assigns to the Bank the Intellectual Property Rights that arise in connection with the business (if any) now or at any time hereafter carried on by the Mortgagor at the Mortgaged Property, subject to re-assignment on payment of all the Secured Obligations
- 4 8 If there are two or more parties comprised in the expression the "Mortgagor", each of such parties with full title guarantee hereby charges and assigns all such party's estate, rights, title and interest in the Mortgaged Assets to secure payment of the Secured Obligations
- 4 9 The security hereby constituted shall extend to all beneficial interests of the Mortgagor in the Mortgaged Assets and to any proceeds of sale or other realisation thereof or of any part thereof
- 4 10 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to the floating charge created by this Mortgage
- 4 11 The Mortgagor represents and warrants that, at the date that the Mortgagor executes this Mortgage, the Mortgagor has made full disclosure in writing to the Bank of
- (a) any information relating to each part of the Mortgaged Assets and each right held by any other person in relation to any part of the Mortgaged Assets which, in each case, would be material to the Bank in relation to the appropriateness or adequacy of any part of the Mortgaged Assets as security for the Secured Obligations, and
 - (b) each matter in respect of which the Bank has requested information from the Mortgagor in connection with this Mortgage

5 RESTRICTIONS AND WARRANTIES

- 5 1 The Mortgagor shall not without the prior written consent of the Bank
- (a) sell, assign, license, sub-license, discount, factor or otherwise dispose of or deal in any other way with, the Mortgaged Assets (other than the Mortgaged Chattels) subject as provided in clause 5 5 (a);
 - (b) sell or otherwise dispose of all or any part of the Mortgaged Chattels except by way of sale, assignment, licence or sub-licence in the ordinary course of business,
 - (c) create or permit to subsist or arise any mortgage, debenture, hypothecation, charge, assignment by way of security, pledge or lien or any other encumbrance or security whatsoever (other than the Prior Mortgage(s) and a lien over any Chattels arising by operation of law in the ordinary course of the Mortgagor's business as conducted during the 12 months preceding the date when the lien first came into existence) over all or any part of the Mortgaged Assets, or
 - (d) enter into any contractual or other agreement or arrangement which has or may have an economic effect similar or analogous to any such encumbrance or security as would be prohibited by sub-clause 5.1 (c).
- 5 2 The Mortgagor hereby requests the Chief Land Registrar to register the following restriction on the Proprietorship Register of any registered land forming part of the Mortgaged Property

"RESTRICTION

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 Lloyds Bank plc referred to in the Charges Register "

5 3 The Mortgagor represents and warrants to the Bank, and so that each such representation and warranty shall be deemed to be repeated on each day during the continuance of this security, that, except to the extent disclosed by the Mortgagor to the Bank in writing prior to the date hereof

- (a) the Mortgagor has not made any election pursuant to paragraph 2 of schedule 10 to the Value Added Tax Act 1994 in relation to or affecting any part of the Mortgaged Property,
- (b) so far as the Mortgagor is aware after making due and careful enquiry the charges and assignments contained in clause 4 do not infringe any intellectual property rights whether registered or unregistered whatsoever,
- (c) no circumstances have occurred during the Mortgagor's ownership of the Mortgaged Property and, so far as the Mortgagor is aware after making due and careful enquiry no circumstances occurred before the Mortgagor's ownership of the Mortgaged Property which have led or could lead to a competent authority or a third party taking any action or making a claim under any Environmental Law (including the requirement to clean up or remedy in any other way any contaminated part of the environment or the revocation, suspension, variation or non-renewal of any Environmental Licence) or which have led or could lead to the Mortgagor having to take action to avert the possibility of any such action or claim, and
- (d) the Mortgagor is solely and beneficially interested in the Mortgaged Assets

5 4 The Mortgagor shall not make or revoke such an election as is referred to in sub-clause 5 3(a) in relation to any part of the Mortgaged Property without the Bank's prior written consent or unless the Bank requests the Mortgagor to do so, in which case the Mortgagor shall immediately make or revoke (as the case may be) such an election in relation to any part of the Mortgaged Property that the Bank considers appropriate and give valid notification of it to H M. Revenue and Customs

5 5

- (a) Sub-clause 5 1(a) shall not prevent the Mortgagor without such consent as is referred to in that clause collecting
 - (i) the rents, fees, service charges, sums, deposits or other amounts referred to in sub-clause 4 2 or the proceeds thereof, or
 - (ii) the proceeds of the book and other debts, monetary claims and choses in action, rentals or other payments referred to in sub-clause 4 3,

in the ordinary course of business and paying the same into the Mortgagor's account(s) with the Bank in accordance with sub-clause 5 5(b) Where the Bank

makes a payment at the request of the Mortgagor which is debited to any account with the Bank which is for the time being in credit, the Bank shall be taken to have given any necessary consent for the purposes of clause 5 1(a) to such payment unless such payment was made as a result of some mistake of fact on the part of the Bank,

(b) The Mortgagor shall pay into its account or accounts with the Bank:

- (i) the rents, fees, service charges, sums, deposits and other amounts referred to in sub-clause 4 2 and the proceeds thereof, and
- (ii) the proceeds of the book and other debts, monetary claims and choses in action, rentals and other payments referred to in sub-clause 4 3,

provided that (where relevant) the Bank shall be deemed to receive the rentals and other amounts referred to in sub-clauses 4 2 and 4 3 (a),(b),(c),(d) and (f) pursuant to the assignment or fixed charge respectively contained therein and not pursuant to the charges over the Mortgaged Property or as mortgagee in possession

(c) The Mortgagor declares that all such proceeds received or obtained by the Mortgagor or on the Mortgagor's behalf but which are not so paid or transferred into that account or accounts shall be received and held by the Mortgagor on trust for the Bank

6 FURTHER ASSURANCE

6 1 The Mortgagor shall at any time if and when required by the Bank execute and deliver to the Bank or as the Bank shall direct such further legal or other assignments, mortgages, securities, charges, agreements and other legal documentation as the Bank shall require of and on all or any of the Mortgaged Assets to secure payment of the Secured Obligations. Such assignments, mortgages, securities, charges agreements or other legal documentation shall be prepared by or on behalf of the Bank at the cost of the Mortgagor and shall contain all such clauses for the benefit of the Bank as the Bank may require including without limitation if so required by the Bank, in the case of a mortgage or charge on the Mortgaged Property, any such clauses as are contained in any of the Bank's standard forms of mortgage from time to time

6 2 The Mortgagor shall at any time if and when required by the Bank and at the Mortgagor's cost give notice to such persons as the Bank may require of the assignments, mortgages and charges hereby effected and any such further legal or other assignments, mortgages, securities, charges, agreements and other legal documentation, and shall take do or execute such steps, acts, deeds, documents and things as the Bank may consider necessary or desirable to give effect to and procure the perfection, of the security intended to be granted by this Mortgage or any such further legal or other assignments, mortgages, securities, charges, agreements or other legal documentation

7 BANK'S POWERS OF SALE AND LEASING

7 1

(a) The powers and remedies conferred on mortgagees by the Law of Property Act 1925 shall apply to this Mortgage but without the restriction on the exercise of

the power of sale imposed by Section 103 of that Act and the statutory powers of leasing conferred on the Bank shall be extended so as to authorise the Bank to lease and make agreements for leases at a premium or otherwise and to accept surrenders of leases and grant options as the Bank shall think expedient, without the need to observe any of the provisions of Sections 99 and 100 of the said Act

- (b) The Bank in exercising its statutory power of sale and any receiver appointed by the Bank in exercising his powers under this Mortgage shall be at liberty to sell at such price and on such terms and conditions as it or he in its or his sole discretion thinks fit, and shall not be under any duty or obligation to obtain the best or any particular price
- (c) Neither the Bank nor any such receiver shall be liable to the Mortgagor or any other person for any loss, damage, cost, expense or liability which the Mortgagor or any such person may suffer or incur as a direct or indirect result of the Bank exercising its statutory power of sale, as hereby varied or extended, or such receiver exercising his powers under this Mortgage.

7 2 In favour of a purchaser the Secured Obligations shall be deemed to have become due on the day on which demand for payment thereof is made by the Bank and the statutory power of sale as hereby varied or extended shall be exercisable from and after that date, which date (without prejudice to the equitable right to redeem) shall be the redemption date

8 **MORTGAGOR'S POWERS OF LEASING AND LICENSING**

The Mortgagor shall not, without the prior written consent of the Bank, in relation to any of the Mortgaged Property

- (a) exercise the statutory powers and any other powers of leasing, letting, entering into agreements for leases or lettings and accepting or agreeing to accept surrenders of leases, or
- (b) part with possession of the Mortgaged Property or grant any lease, tenancy, licence, right or interest to occupy the Mortgaged Property, or
- (c) amend or confer upon any person any lease, tenancy, licence, right or interest to occupy the same or any part thereof or grant any licence or permission to assign, underlet or part with possession of the same or any part thereof

9 **APPOINTMENT OF AN ADMINISTRATOR AND APPOINTMENT AND POWERS OF A RECEIVER**

9 1 At any time after the Bank shall have demanded payment of any of the Secured Obligations or the Mortgagor shall have requested it so to do or an Insolvency Event shall have occurred (upon the happening of which the security created by this Mortgage shall be immediately enforceable) the Bank shall have power in writing under the hand of any official of the Bank authorised by the Bank from time to time, or any person authorised by any such official in writing, to appoint, any person or persons as the Bank thinks fit to be, where so entitled as referred to in sub clause 28 10, an administrator or joint administrators or several administrators or joint and several administrators of the Mortgagor or alternatively a receiver or joint receivers or several receivers or joint and several receivers of the Mortgaged Assets to act, in the case of two or more receivers, jointly, severally or jointly and severally in

relation to any part of the Mortgaged Assets and to the extent permitted by law similarly to remove any such receiver and to appoint another or others in his place

- 9 2 If the Bank excludes any part of the Mortgaged Assets from the appointment of any receiver, the Bank may subsequently extend that appointment (or that of any receiver replacing such receiver) to such excluded part of the Mortgaged Assets.
- 9 3 Any such receiver at the cost of the Mortgagor may, in the name of or on behalf of the Mortgagor or at his option in the name of the Bank (but only with the specific approval in writing of the Bank) or at his option in his own name (and in any case notwithstanding any administration or liquidation of the Mortgagor), do or omit to do anything which the Mortgagor could do or omit to do in relation to the Mortgaged Assets or the Chattels or any of them and (in addition) may exercise in relation thereto all or any of the powers specified in Schedule 1 to the Insolvency Act 1986 (notwithstanding that such receiver may not be an administrative receiver), and in particular (but without prejudice to the generality of the foregoing) any such receiver may
- (a) deal with, take possession of, cultivate, collect and get in the Mortgaged Assets or the Chattels,
 - (b) carry on, manage, develop or diversify or concur in carrying on, managing, developing or diversifying any business of the Mortgagor at any time carried on by the Mortgagor at the Mortgaged Property, and for any of those purposes receive, retain or use any Chattels and any proceeds, books or records of such business and carry out or complete (with or without modification) on the Mortgaged Property any works of demolition, building, repair, construction, furnishing or any project or development in which the Mortgagor was engaged,
 - (c) raise or borrow any money from or incur any other liability to the Bank or any other person and on such terms as to interest or otherwise and with or without security as such receiver may think expedient, and so that any such security may, with the prior consent of the Bank, be or include a charge on the Mortgaged Assets ranking either in priority to or pari passu with or after the security hereby created,
 - (d) forthwith and without the restriction imposed by Section 103 of the Law of Property Act 1925 sell, realise, dispose of or concur in selling, realising or disposing of (but where necessary with the leave of the Court) and without the need to observe any of the provisions of Sections 99 and 100 of the said Act let or concur in letting or surrender or concur in surrendering or accept surrenders of leases or tenancies of all or any part of the Mortgaged Assets,
 - (e) carry any sale, exchange, realisation, disposal, lease, tenancy or surrender of the Mortgaged Assets into effect by conveying, transferring, assigning, leasing, letting, surrendering or accepting surrenders in the name and on behalf of the Mortgagor (or other the estate owner) and so that covenants and contractual obligations may be granted in the name of and so as to bind the Mortgagor (or other the estate owner), so far as such receiver may consider it necessary, appropriate or expedient for the exercise of the powers conferred by this Mortgage so to do Any such sale, exchange, realisation, disposal, lease, tenancy or surrender may be for cash, debentures or other obligations, shares, stock or other valuable consideration and may be payable in a lump sum or by instalments spread over such period as such receiver shall think fit, and so that

any consideration received or receivable shall forthwith be and become charged with the payment of the Secured Obligations. Plant, machinery and other fixtures may be severed and sold separately from the premises containing them without the consent of the Mortgagor being obtained thereto,

- (f) obtain (by way of application or otherwise) any approval, permission, consent and licence (including any Environmental Licence, planning permission and building regulation approval), enter into and perform contracts and arrangements, purchase materials and incur any type of obligation,
- (g)
 - (i) promote the formation of a subsidiary or subsidiaries of the Mortgagor with a view to such subsidiary or subsidiaries purchasing, leasing, licensing or otherwise acquiring interests in or the use of the Mortgaged Assets and the Chattels or with a view to such subsidiary or subsidiaries engaging employees or providing management or other services in connection therewith or for any other purpose or function which may be regarded as necessary or appropriate by such receiver from time to time,
 - (ii) arrange for such subsidiary or subsidiaries to trade or cease to trade as such receiver may think fit from time to time, and
 - (iii) arrange for the purchase, lease, licence or acquisition of the Mortgaged Assets and the Chattels by such subsidiary or subsidiaries on a basis whereby the consideration may be cash, shares, debentures, loan stock, convertible loan stock or other securities, shares of profits or sums calculated by reference to profits or turnover, royalties, licence fees or otherwise howsoever and whether or not secured on the assets of the subsidiary or subsidiaries, and whether or not such consideration is payable or receivable in a lump sum or by instalments spread over such period as such receiver may think fit;
- (h) take any proceedings in relation to the Mortgaged Assets in the name of the Mortgagor or otherwise as may seem expedient, including (without prejudice to the generality of the foregoing) proceedings for the collection of rent in arrears at the date of his appointment,
- (i) enter into any agreement or make any arrangement or compromise as such receiver shall think expedient in respect of the Mortgaged Assets or the Chattels,
- (j) exercise the Mortgagor's rights under any rent review clause in respect of the Mortgaged Property or grant or apply for any new or extended tenancy thereof,
- (k) make and effect repairs to and renewals and improvements of the Mortgaged Chattels,
- (l) insure the Mortgaged Assets and the Chattels and/or maintain or renew any insurances of the same on such terms as such receiver shall think fit or as the Bank shall from time to time direct,

- (m) appoint managers, agents, officers and employees for any of the aforesaid purposes at such salaries and for such periods as such receiver may determine and dismiss any of the same,
 - (n) adopt any contracts of employment entered into between the Mortgagor and any of its employees with such variations to the contract as such receiver may think fit and dismiss any such employees,
 - (o) cause the Mortgagor to grant such powers of attorney or appoint agents (for any of the aforesaid purposes) as such receiver may from time to time think expedient,
 - (p) do all such things as may be thought necessary for the management of the affairs, business and property of the Mortgagor;
 - (q) grant, vary and release easements and other rights over (the) Mortgaged Property and impose, vary or release covenants affecting the Mortgaged Property and agree that the Mortgaged Property may be subject to any easements or covenants,
 - (r) purchase any freehold and leasehold properties and other capital assets if such receiver considers it would be conducive to realisation of the Bank's security to do so, and
 - (s) do all such other acts and things as may from time to time be considered by such receiver to be incidental or conducive to any of the matters or powers aforesaid or otherwise incidental or conducive to the realisation of the Bank's security or the exercise of his functions as receiver.
- 9 4 Sub-section 109(8) of the Law of Property Act 1925 shall not apply and all money received by such receiver shall (subject in relation to each paragraph below to any claims having priority to the matter therein described) be applied
- (a) first in payment of his remuneration and the costs of realisation including all costs and expenses of or incidental to any exercise of any power hereby conferred,
 - (b) secondly (if such receiver thinks fit, but not otherwise) in or towards payment of all or any of the matters referred to in paragraphs (i), (ii), (iii) and (iv) of Sub-section 109(8) of the Law of Property Act 1925 as he in his absolute discretion shall decide, and
 - (c) thirdly in or towards satisfaction of the Secured Obligations
- 9 5 Any such receiver shall at all times and for all purposes be deemed to be the agent of the Mortgagor which alone shall be responsible for his acts or defaults and for his remuneration
- 9 6 Any such receiver shall be entitled to remuneration for his services and the services of his firm at a rate or rates or in an amount or amounts as may from time to time be agreed between the Bank and such receiver or (in default of agreement) as may be appropriate to the work and responsibilities involved upon the basis of charging from time to time adopted by such receiver in accordance with the current practice of such receiver or his firm and without in either such case being limited by the maximum rate specified in Section 109(6) of the Law of Property Act 1925

9 7 If the Bank shall appoint more than one receiver the powers given to a receiver hereby and by statute shall be exercisable by all or any one or more of such receivers and any reference in this Mortgage to "receiver" shall be construed accordingly

9 8 The powers conferred by this clause 9 shall be in addition to all powers given by statute to the Bank or to any such receiver.

9 9 Only money actually paid by such receiver to the Bank shall be capable of being applied by the Bank in or towards satisfaction of the Secured Obligations.

10 PROTECTION OF THIRD PARTIES

10 1 No person (each a "Third Party", including any insurer, assurer, purchaser or security holder) dealing with the Bank or any receiver appointed by it or their respective employees and agents need enquire

- (a) whether any right exercised or purported to be exercised by the Bank, such receiver or their respective employees and agents, has become exercisable, or
- (b) whether any of the Secured Obligations are due or remains outstanding, or
- (c) as to the propriety or regularity of anything done (including any sale, dealing or application of money paid, raised or borrowed) by the Bank, such receiver or their respective employees and agents

10 2 Each of those things shall (as between the Third Party on the one hand and the Bank or any receiver appointed by it or their respective employees or agents on the other hand) be deemed to be exercisable, due, outstanding, proper, regular and within the terms of this Mortgage (as the case may be) and be fully valid and effective

10 3 All the protections to purchasers contained in Sections 104 and 107 of the Law of Property Act 1925 and to persons contained in Section 42(3) of the Insolvency Act 1986 apply to each Third Party

10 4 The Bank, any receiver appointed by it and their respective employees and agents may give receipts to any Third Party The Mortgagor agrees that each receipt shall be an absolute and conclusive discharge to such Third Party and shall relieve such Third Party of any obligations to see to the application of any assets paid or transferred to or by the direction of the Bank, such receiver, employee or agent

11 COVENANTS

The Mortgagor shall

- (a) cultivate and manage any Agricultural Land in a good and proper and husbandlike manner,
- (b) pay the rent and other outgoings reserved or payable under any lease under which the Mortgaged Property is held by the Mortgagor and any rent-charge or other outgoing charged upon the Mortgaged Property, and produce to the Bank on demand any receipt for such payment, and further perform and observe all covenants, regulations and agreements on the part of the lessee and conditions contained in any such lease,

- (c) comply with all covenants, restrictions, requirements, provisions, conditions, laws and regulations affecting the Mortgaged Property (including the use and enjoyment of it),
- (d) comply with all relevant licences, consents, permissions and conditions from time to time granted or imposed by the Planning Acts and not without the prior written consent of the Bank give any undertaking to or enter into any agreement with any relevant planning authority affecting the Mortgaged Property,
- (e) not make or consent to the making of any application for planning permission or any other application under the Planning Acts affecting the Mortgaged Property unless either the Bank has consented in writing to such application being made or a copy of the proposed application has been sent to the Bank at least one month before the date of the application and the Bank has raised no objection to the making of the application,
- (f) forthwith upon receipt of any permission, notice, order, proposal or recommendation given or issued by any competent planning authority to the owner or occupier of the Mortgaged Property or any notice under Section 146 of the Law of Property Act 1925 or otherwise from any superior landlord of the Mortgaged Property, forward the same or a true copy thereof to the Bank,
- (g) not demolish or remove any part of the Mortgaged Property nor sever or remove from the Mortgaged Property any trade or other fixtures or fixed plant and machinery for the time being thereon except for the purpose of renewing or replacing the same by trade or other fixtures or fixed plant and machinery of equal or greater value;
- (h) permit the Bank or its agents at any time to enter upon the Mortgaged Property for the purpose of establishing whether or not the Mortgagor is complying fully with its obligations under this Mortgage or of inspecting the Mortgaged Assets,
- (i) not do or cause or permit to be done or omit to do anything which may in any way depreciate jeopardise or otherwise prejudice the value to the Bank or marketability of the security hereby created by this Mortgage or of the Mortgaged Property,
- (j) not (without the prior written consent of the Bank) incur any expenditure or liabilities of an exceptional or unusual nature (including without limitation any expense in carrying out any development pursuant to a planning permission unless a copy of the relevant planning permission has been sent to the Bank at least one month before the date of commencement of such development and the Bank has raised no objection to such development),
- (k) notify the Bank immediately on the occurrence of an Insolvency Event,
- (l) where the Mortgaged Property is held under a lease.
 - (i) notify the Bank forthwith if the Mortgaged Property becomes subject to an Estate Management Scheme pursuant to Chapter IV of Part I of the Leasehold Reform, Housing and Urban Development Act 1993, and provide a copy of the scheme deed as approved by the relevant leasehold valuation tribunal,

- (ii) notify the Bank before exercising (whether individually or collectively with others) any right conferred upon the Mortgagor in relation to the Mortgaged Property by Enfranchising Legislation and supply to the Bank such information as it may reasonably require in relation to the exercise of such right,
 - (iii) not without the prior written consent of the Bank agree the terms of any new lease of the Mortgaged Property (with or without any further property) to be granted to the Mortgagor pursuant to any Enfranchising Legislation or otherwise;
 - (iv) if as a result of the exercise of any rights conferred by Enfranchising Legislation or otherwise the freehold interest or any intermediate reversionary interest in the Mortgaged Property becomes vested in a third party on behalf of the Mortgagor (with or without others), forthwith supply to the Bank particulars of such third party and (where such third party is a body corporate) details of any shares therein to be issued to the Mortgagor, and deliver the share certificate in respect thereof to the Bank when received, and
 - (v) at its own cost take such further action as the Bank may require in relation to the security granted by this Mortgage,
- (m) where the Mortgaged Property or any part of it is or (without prejudice to clause 8) becomes subject to any tenancy.
- (i) forthwith notify the Bank on receipt of (and provide to the Bank a copy of) any notices received from any tenant of the Mortgaged Property pursuant to the provisions of any Enfranchising Legislation;
 - (ii) not serve upon any tenant of the Mortgaged Property a notice pursuant to the provisions of any Enfranchising Legislation unless the Bank has consented in writing thereto,
 - (iii) serve such notices in such form and take such other steps as the Bank may reasonably require following the exercise by any tenant of the Mortgaged Property of any rights arising under Enfranchising Legislation,
 - (iv) not enter into any agreement to grant a new lease to any tenant of the Mortgaged Property pursuant to or in consequence of the operation of any Enfranchising Legislation unless the Bank has consented in writing thereto, and
 - (v) not enter into any agreement pursuant to or in consequence of the operation of any Enfranchising Legislation to transfer to any person or persons the Mortgagor's interest in the Mortgaged Property subject to this Mortgage unless the Bank has consented in writing thereto and (if such consent be given or be deemed to be given as hereinafter provided) to provide to the Bank such information in respect of any such transfer and its terms (including the identity of the transferees) as the Bank may reasonably require,

provided that in all cases in this sub-clause (m) where the Bank's consent in writing is required before the Mortgagor may take further action the Bank's consent to such action shall be deemed to be granted if the Bank has not raised any objection to such action within one month of the date of the relevant request to the Bank for such consent. Provided that the Mortgagor must at all times use its best endeavours (and at no cost to the Bank) to obtain the maximum compensation permitted under the relevant Enfranchising Legislation from any person or persons exercising any rights under such legislation

- (n) if any notice (whether agreed or unilateral) is registered against the title of all or part of the Mortgaged Property, give to the Bank full particulars of the circumstances relating to such registration and, if such notice shall have been registered in order to protect a purported interest the creation of which is contrary to the obligations of the Mortgagor under this Mortgage, immediately at the Mortgagors expense take such steps as the Bank requires to ensure that the notice is withdrawn or cancelled, and
- (o) if the Bank so requires, deposit with the Bank, and the Bank during the continuance of this Mortgage shall be entitled to hold and retain (unless held by the holders for the time being of a Prior Mortgage), all deeds and documents of title relating to the Mortgaged Property

12 REPAIR AND INSURANCE

12 1 The Mortgagor shall

- (a) keep the Mortgaged Assets in a good state of repair;
- (b) insure and keep insured the Mortgaged Assets with reputable insurers and on terms (for the time being) approved by the Bank (making such amendments thereto as the Bank may from time to time require) against loss or damage by fire, by terrorist damage and by such other risks and contingencies as may from time to time be required by the Bank in their full reinstatement value for the time being in the joint names of the Mortgagor and the Bank or with the interest of the Bank endorsed on the policy or policies or noted, as the Bank may require,
- (c) (unless deposited with the holder(s) for the time being of the Prior Mortgage(s), or unless the insurance to which such policy or policies relate and which was approved by the Bank was effected by a landlord with the respective interests of the Mortgagor and the Bank endorsed or noted thereon), deposit the relevant policy or policies with the Bank,
- (d) duly pay all premiums and sums payable in relation to such insurance and produce the receipts therefor to the Bank within seven days of their becoming due and payable, and
- (e) ensure that the relevant policy or policies remain valid at all times.

12 2

- (a) If default shall at any time be made by the Mortgagor in keeping the Mortgaged Assets or any part thereof in a good state of repair, or in effecting or keeping up any such insurance, or in paying any rent or other outgoings or dilapidations or in producing to the Bank any such policy or receipt or, where the Mortgaged

Property is or includes Agricultural Land, in cultivating or managing the same or any part thereof in a good and proper and husbandlike manner, it shall be lawful for but not obligatory on the Bank (as the case may require) to repair and maintain or cultivate and manage the same with power to enter the Mortgaged Property for that purpose or to pay such rent and other outgoings and dilapidations or to effect or renew any such insurance as aforesaid as the Bank shall think fit, and any sums paid by the Bank for any such purpose shall be repayable by the Mortgagor to the Bank on demand with interest computed and payable as provided in clauses 2 and 3 from the date of payment by the Bank as aforesaid, and pending payment shall be secured hereby

- (b) All money which may at any time be received or receivable under any such policies of insurance (or any other insurances covering any of the Mortgaged Assets) shall be held in trust for the Bank and (at the Bank's option) the Mortgagor shall pay such money to the Bank or shall apply the same in replacing, restoring or reinstating the buildings, fixtures and assets destroyed or damaged

12 3 Any sum paid by the Bank to the lessor of any lease under which the Mortgaged Property is held (or under any superior lease) in settlement of any claim made by the lessor for any rent or other outgoings or dilapidations reserved or payable or alleged to be reserved or payable under the lease shall be deemed to be a payment properly made under the terms of clause 12 2(a) (whether or not actually due to the lessor and whether or not disputed by the Mortgagor) provided that such payment was made by the Bank in good faith for the purpose of avoiding, compromising or terminating any proceedings for forfeiture, or otherwise for the purpose of preserving or enforcing the security hereby created

12 4 The Mortgagor authorises the Bank in the Mortgagor's name and on the Mortgagor's behalf to make any claim against the insurer under any part of any insurance policy relating to the Mortgaged Assets and to admit, compromise or settle such claim or any liability relating to any such claim or any potential claim

12 5 The Mortgagor also authorises the Bank to receive any amounts payable or received in respect of any insurance policy or claim under any insurance policy relating to the Mortgaged Assets and to give a good discharge to the insurer in respect of such amounts

13 **MORTGAGED LICENCES**

13 1 The Mortgagor shall at its own expense obtain and maintain all licences, permits, consents and authorisations required in connection with any business at any time carried on at the Mortgaged Property

13 2 If any Mortgaged Licences are held in connection with any business at any time carried on at the Mortgaged Property, the following shall apply.

- (a) the Mortgagor shall at its own expense conform to all orders, regulations and notices made by the licensing authority, the licensing justices or any other authority concerning the Mortgaged Assets and the said business, and apply for and use its best endeavours to obtain whenever necessary proper renewals or regrants of the Mortgaged Licences, and shall not surrender, abandon or transfer to any person any of the Mortgaged Licences or remove the same or any of them to any other premises or do or permit any act or thing whereby the renewal of any such licences may be refused or discontinued or whereby the said business or the goodwill thereof or the letting or sale of the Mortgaged Property may be

prejudicially affected, and shall upon demand by or on behalf of the Bank deliver to the Bank or as the Bank shall direct the Mortgaged Licences and give, do and execute all notices, acts, instruments and things necessary or convenient for transferring the same or any of them to or vesting the same in the Bank or its nominee or nominees, or withdrawing from the books of H M. Revenue and Customs the entry of the Mortgagor as carrying on the business carried on upon the Mortgaged Property,

- (b) all money received by the Bank as compensation awarded in respect of the refusal of the licensing authority, the licensing justices or any other authority concerning the Mortgaged Assets to renew the Mortgaged Licences or any of them shall be applied first in payment of the costs incurred by the Bank under this Mortgage, secondly in or towards satisfaction of the other Secured Obligations and subject thereto shall be held in trust for the Mortgagor,
- (c) the Mortgagor shall forthwith upon the receipt of any order, direction or notice from the licensing authority, the licensing justices or any other authority affecting the Mortgaged Assets forward the same or a true copy thereof to the Bank,
- (d) the Mortgagor further covenants with the Bank in the manner following
 - (i) the Mortgagor shall pay all charges which may be imposed in respect of the Mortgaged Licences or any of them by virtue of the, the Licensing Act 2003 or any other statutory enactment, and in default the Bank or any receiver may pay all such costs charges and expenses,
 - (ii) the Mortgagor shall from time to time at the request of the Bank endeavour to procure the transfer of any of the Mortgaged Licences which may be held by nominees on behalf of or in trust for the Mortgagor to such other person or persons as the Bank may approve or appoint, and shall not permit the transfer of such licences to any person or persons not approved by the Bank,
 - (iii) the Mortgagor shall keep the Mortgaged Licences and every renewal or regrant thereof and any new licences granted in respect of the Mortgaged Assets insured against forfeiture or refusal to renew in the name of the Bank for a sum and in an office to be approved by the Bank in writing, and shall deposit the relevant policy or policies with the Bank and shall duly pay all premiums and sums of money payable for this purpose and produce the receipts therefor to the Bank within seven days of their becoming due and payable. In the case of the Mortgagor making default in that behalf, the Bank may pay all premiums and sums of money for effecting or keeping in force the said insurance. If any other policies of insurance cover the Mortgaged Licences and/or their renewal or regrant as aforesaid, the Mortgagor shall hold any sums received under such policies in trust for the Bank and shall pay the same to the Bank on demand,
 - (iv) if the Mortgaged Licences or any of them shall at any time be vested in a nominee of the Mortgagor, the Mortgagor shall procure that all

covenants by the Mortgagor herein contained shall be performed and fulfilled by any such nominee, and

- (v) all sums, costs and expenses paid or incurred by the Bank under the powers conferred by this clause shall be paid by the Mortgagor to the Bank on demand with interest computed and payable as provided in clauses 2 and 3 from the time or respective times of the same having been paid or incurred by the Bank or the receiver as the case may be, and pending payment shall be secured hereby, and
- (e) without limiting the generality of clause 15, the power of attorney contained in that clause shall authorise the attorney or attorneys for and in the name of the Mortgagor or otherwise
 - (i) to assign and transfer the Mortgaged Licences to any purchaser or purchasers of the Mortgaged Assets or to such other person or persons as the Bank shall direct;
 - (ii) to attend before the relevant authorities and to sign all such notices and other documents and to do all such other acts and things for and in the name, place and stead and on behalf of the Mortgagor or otherwise in order to obtain protection for, or the transfer of the Mortgaged Licences to, such purchaser or purchasers or other person or persons as aforesaid, and to appeal against any refusal by any authority in respect of any grant or transfer or any renewal of any of the Mortgaged Licences or any order, regulation or direction made by any authority in respect of the Mortgaged Licences,
 - (iii) to sign all necessary notices and make all necessary applications for the purpose of obtaining the renewal, grant or regrant of any of the Mortgaged Licences, and
 - (iv) generally to execute all such instruments and to give or sign all such notices as the attorney shall think fit as fully and effectually to all intents and purposes whatsoever as the Mortgagor could do personally

14

ENVIRONMENTAL OBLIGATIONS

The Mortgagor shall

- (a) obtain all Environmental Licences applicable to the Mortgaged Assets and any business of the Mortgagor carried on at the Mortgaged Property and comply with the terms and conditions of the same,
- (b) comply with all Environmental Laws applicable to the Mortgaged Assets and any business of the Mortgagor carried on at the Mortgaged Property and not permit a contravention of the same,
- (c) notify the Bank of the receipt of and content of all claims, notices or other communications in respect of any alleged breach of any Environmental Law or the terms and conditions of any Environmental Licence which may have a material adverse effect on the market value of the Mortgaged Assets or on the value of any business carried on by the Mortgagor at the Mortgaged Property,

and forthwith take such steps as the Bank may direct to remedy or stop such alleged breach,

- (d) promptly pay all fees and other charges in respect of any Environmental Licence applicable to the Mortgaged Assets or any business carried on by the Mortgagor at the Mortgaged Property,
- (e) forthwith notify the Bank of the receipt of and the contents of any notices or other communication varying or suspending any Environmental Licence relating to the Mortgaged Assets or any business carried on by the Mortgagor at the Mortgaged Property and forthwith take such steps as the Bank may direct to reinstate in full force and effect any Environmental Licence so varied or suspended,
- (f) forthwith supply the Bank with copies of any environmental reports, audits or studies undertaken in relation to the Mortgaged Assets or any business carried on by the Mortgagor at the Mortgaged Property, and
- (g) pay on demand the costs and expenses (including Value Added Tax) incurred by the Bank in commissioning environmental audits (which the Bank shall be entitled to do whenever it thinks fit) and shall permit the Bank and its agents full and free access to all the Mortgaged Assets for the purposes of such environmental audits (Such costs and expenses shall bear interest from the date of demand computed and payable as provided in clauses 2 and 3, and pending payment, shall be secured hereby)

15 POWER OF ATTORNEY

15 1 For the purpose of securing the payment of the Secured Obligations and for securing any proprietary interest which the Bank has in any of the Mortgaged Assets, the Mortgagor irrevocably appoints the Bank and the persons deriving title under it, and its and their substitutes and any receiver or receivers appointed under this Mortgage (the "Attorney") jointly and also severally to be the Mortgagor's true and lawful attorney For the purposes aforesaid the Attorney shall have the right to do anything which the Mortgagor may lawfully do and all the rights and powers which may lawfully be given to an attorney including, without prejudice to the generality of the foregoing

- (a) the right to do anything to procure or carry out the performance of the Mortgagor's obligations under this Mortgage and anything to facilitate the exercise of the Bank's rights under this Mortgage,
- (b) the right to act in the name of the Mortgagor,
- (c) the right to delegate and sub-delegate any or all of the rights of the Attorney, and
- (d) the right to sign, execute, seal, deliver and otherwise perfect
 - (i) any documents or instruments which the Bank or any receiver may require for perfecting the title of the Bank to the Mortgaged Assets or for vesting the same in the Bank, its nominees or any purchaser, and
 - (ii) any further security documentation referred to in clause 6

15 2 The Mortgagor ratifies and shall ratify everything done or purported to be done by the Attorney

16. **INDEMNITY**

16 1 The Mortgagor hereby agrees to indemnify the Bank and any receiver appointed by it and their respective employees and agents (as a separate covenant with each such person indemnified) against

(a) all existing and future rents, rates, taxes, duties, charges, assessments and outgoings now or at any time payable in respect of the Mortgaged Assets or by the owner or occupier thereof, and

(b) all costs, claims, demands, expenses, charges, assessments, impositions, fines and sums and the consequences of any proceedings or prosecutions arising directly or indirectly from or in connection with any breach by the Mortgagor of any law or of any provision in this Mortgage,

in each case whether imposed by statute or otherwise and whether of the nature of capital or revenue and even though of a wholly novel character. If any such sums shall be paid by the Bank or any such receiver or any of their respective employees or agents, the same shall be paid by the Mortgagor on demand with interest computed and payable as provided in clauses 2 and 3 from the time or respective times of the same having been paid or incurred, and pending payment, shall be secured hereby, but the Bank shall not be deemed to have taken possession of the Mortgaged Assets by reason of such payment.

16 2 The Mortgagor hereby agrees to indemnify the Bank and any receiver appointed by it and their respective employees and agents (as a separate covenant with each such person indemnified) against all loss incurred in connection with.

(a) any statement made by the Mortgagor or on the Mortgagor's behalf in connection with this Mortgage, the Mortgaged Assets or the business of the Mortgagor being untrue or misleading,

(b) the Bank entering into any obligation with any person (whether or not the Mortgagor) at the request of the Mortgagor (or any person purporting to be the Mortgagor),

(c) any actual or proposed amendment, supplement, waiver, consent or release in relation to this Mortgage,

(d) any stamping or registration of this Mortgage or the security constituted by it, and

(e) any failure to register this Mortgage in respect of any Mortgaged Assets where such registration is required in order to preserve the effectiveness or priority of the security created by this Mortgage,

whether or not any fault (including negligence) can be attributed to the Bank or any receiver appointed by it or their respective employees and agents

16 3 This indemnity does not and shall not extend to any loss to the extent that

- (a) in the case of any loss incurred by the Bank or its employees or agents it arises from the Bank or its employees or agents acting other than in good faith, or
- (b) in the case of any loss incurred by the receiver or his employees or agents it arises from the receiver or his employees or agents acting other than in good faith, or
- (c) there is a prohibition against an indemnity extending to that loss under any law relating to this indemnity

17 NOTICE OF SUBSEQUENT CHARGES

If the Bank receives notice of any subsequent assignment, mortgage, security, charge or other interest affecting the Mortgaged Assets, the Bank may open a new account. If the Bank does not open a new account it shall nevertheless be treated as if it had done so at the time when it received such notice, and as from that time all payments made to the Bank in respect of any of the Secured Obligations shall be credited or be treated as having been credited to the new account and shall not operate to reduce the amount of the Secured Obligations owing at the time when the Bank received the notice.

18 NOTICES AND DEMANDS

18 1 Without prejudice to the provisions in clause 1 2 (d)(iv) any notice or demand by the Bank to or on the Mortgagor shall be deemed to have been sufficiently given or made if sent to the Mortgagor

- (a) by hand or prepaid letter post to its registered office or its address stated herein or its address last known to the Bank; or
- (b) by facsimile to the Mortgagor's last known facsimile number relating to any such address or office

18 2 Without prejudice to the provisions in clause 1 2(d)(iv) any such notice or demand given or made under sub-clause 18 1 shall be deemed to have been served on the Mortgagor

- (a) at the time of delivery to the address referred to in sub-clause 18 1(a), if sent by hand,
- (b) at the earlier of the time of delivery or 10.00 am on the day after posting (or, if the day after posting be a Sunday or any other day upon which no delivery of letters is scheduled to be made, at the earlier of the time of delivery or 10 00 am on the next succeeding day on which delivery of letters is scheduled to be made), if sent by prepaid letter post,
- (c) at the time of transmission, if sent by facsimile (and a facsimile shall be deemed to have been transmitted if it appears to the sender to have been transmitted from a machine which is apparently in working order), or
- (d) on the expiry of 72 hours from the time of despatch, in any other case

18 3 Service of any claim form may be made on the Mortgagor in the manner described in sub-clause 18 1(a), in the event of a claim being issued in relation to this Mortgage, and shall be deemed to constitute good service

18 4 Any notice or communication required to be served by the Mortgagor on the Bank under the terms of this Mortgage shall be in writing and delivered by hand or sent by recorded delivery to the Bank at the Bank's address stated herein (or at such other address as may be notified in writing by the Bank to the Mortgagor for this purpose) and will be effective only when actually received by the Bank. Any notice or communication must also be marked for the attention of such official (if any) as the Bank may for the time being have notified to the Mortgagor in writing.

19 CURRENCY CONVERSION

The Bank may at any time at its sole discretion, and with or without notice to the Mortgagor, elect to convert all or any part of any sum received by the Bank pursuant to this Mortgage (in whole or in part) into the currency or currency unit or currencies or currency units of the whole or any part of the Secured Obligations (deducting from the proceeds of the conversion any currency premium or other expense), and the rate of exchange shall be the Bank's spot rate for selling the currency or currency unit or currencies or currency units of the Secured Obligations or relevant part thereof for the currency or currency unit of the sum received by the Bank under this Mortgage at or about 11.00 am in London on the date that the Bank exercises its right of conversion under this Mortgage. The Bank may take any such action as may be necessary for this purpose, including without limitation opening additional accounts.

20 PAYMENTS AND COSTS

20 1 If at any time the currency in which all or any part of the Secured Obligations is denominated is, is due to be or has been converted into the euro or any other currency as a result of a change in law or by agreement between the Bank and the relevant obligor, then the Bank may in its sole discretion direct that all or any of the Secured Obligations shall be paid in the euro or such other currency or in any currency unit.

20 2 The Bank may apply, allocate or appropriate the whole or any part of any payment made by the Mortgagor under this Mortgage or any money received by the Bank under any guarantee, indemnity or third party security or from any liquidator, receiver or administrator of the Mortgagor or from the proceeds of realisation of the Mortgaged Assets or any part thereof to such part or parts of the Secured Obligations (or as the Bank may otherwise be entitled to apply, allocate or appropriate such money) as the Bank may in its sole discretion think fit, to the entire exclusion of any right of the Mortgagor to do so.

20 3 If any payment made by or on behalf of the Bank under this Mortgage includes an amount in respect of Value Added Tax, or if any payment due to the Bank under this Mortgage shall be in reimbursement of any expenditure by or on behalf of the Bank which includes an amount in respect of Value Added Tax, then such amount shall be payable by the Mortgagor to the Bank on demand with interest from the date of such demand computed and payable as provided in clauses 2 and 3, and pending payment, shall be secured hereby.

20 4 Without prejudice to the generality of clauses 2 and 9, the Mortgagor shall pay to the Bank (on a full and unqualified indemnity basis) all costs incurred or suffered by the Bank, and any receiver appointed by the Bank shall be entitled to recover as a receivership expense all costs incurred or suffered by him.

(a) in connection with any application under Part III of the Insolvency Act 1986,

- (b) in defending proceedings brought by any third party impugning the Bank's title to this security or the enforcement or exercise of the rights and remedies of the Bank or of such receiver under this Mortgage; and
- (c) (in the case of the Bank only) in connection with effecting any appointment of any receiver or administrator or in dealing with any appointment of, or notice of intention or application to appoint, any receiver or administrator by any party including the Mortgagor and without prejudice to any other right or process of recovering such costs,

and all such costs shall bear interest from the date such costs were incurred or suffered, computed and payable as provided in clauses 2 and 3, and pending payment, shall be secured hereby

20 5 All costs awarded to the Bank or agreed to be paid to the Bank in any proceedings brought by the Mortgagor against the Bank shall bear interest from the date of such award or agreement computed and payable as provided in clauses 2 and 3 and, pending payment, shall be secured hereby.

21 **NON-MERGER, ETC.**

21 1 Nothing herein contained shall operate so as to merge or otherwise prejudice or affect any bill, note, guarantee, mortgage or other security or any contractual or other right which the Bank may at any time have for any of the Secured Obligations or any right or remedy of the Bank thereunder. Any receipt, release or discharge of the security provided by, or of any liability arising under, this Mortgage shall not release or discharge the Mortgagor from any liability to the Bank for the same or any other money which may exist independently of this Mortgage, nor shall it release or discharge the Mortgagor from any liability to the Bank under clause 16 and clause 20

21 2 Where this Mortgage initially takes effect as a collateral or further security, then notwithstanding any receipt, release or discharge endorsed on or given in respect of the money and liabilities owing under the principal security to which this Mortgage operates as a collateral or further security, this Mortgage shall, be an independent security for the Secured Obligations

21 3 This Mortgage is in addition to and is not to prejudice or be prejudiced by any other security or securities now or hereafter held by the Bank

22 **TRANSFERS BY THE BANK OR THE MORTGAGOR**

22 1 The Bank may freely and separately assign or transfer any of its rights under the Mortgage or otherwise grant an interest in any such rights to any person or persons. On request by the Bank, the Mortgagor shall immediately execute and deliver to the Bank any form of instrument required by the Bank to confirm or facilitate any such assignment or transfer or grant of interest

22 2 The Mortgagor shall not assign or transfer any of the Mortgagor's rights or obligations under this Mortgage or enter into any transaction or arrangement which would result in any of those rights or obligations passing to or being held in trust for or for the benefit of another person

23 **PARTIAL INVALIDITY**

Each of the provisions of this Mortgage shall be severable and distinct from one another and if at any time any one or more of such provisions is or becomes invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby

24 **RESTRICTION ON LIABILITY OF THE BANK**

Except to the extent that any such exclusion is prohibited or rendered invalid by law, neither the Bank nor any receiver appointed by it nor their respective employees and agents shall

- (a) be liable to account as a mortgagee in possession for any sums other than actual receipts,
- (b) be liable for any loss upon realisation of, or for any action, neglect or default of any nature whatsoever in connection with, any part of the Mortgaged Assets for which a mortgagee in possession might as such otherwise be liable,
- (c) be under any duty of care or other obligation of whatsoever description to the Mortgagor in relation to or in connection with the exercise of any right conferred upon the Bank, any receiver appointed by it and their respective employees and agents, or
- (d) be under any liability to the Mortgagor as a result of, or in consequence of, the exercise, or attempted or purported exercise, or failure to exercise, any of their respective rights

25 **CONCLUSIVE EVIDENCE**

A certificate by an official of the Bank as to the Secured Obligations shall (save for manifest error) be binding and conclusive on the Mortgagor in any legal proceedings both in relation to the existence of the liability and as to the amount thereof

26 **CONTINUING SECURITY**

This Mortgage shall continue to bind the Mortgagor as a continuing security for the Secured Obligations notwithstanding that the liabilities of the Mortgagor to the Bank may from time to time be reduced to nil

27 **NO RELIANCE ON THE BANK**

- (a) The Mortgagor acknowledges to and agrees with the Bank that, in entering into this Mortgage and incurring the Secured Obligations
 - (i) the Mortgagor has not relied on any oral or written statement, representation, advice, opinion or information made or given to the Mortgagor in good faith by the Bank or anybody on the Bank's behalf, and the Bank shall have no liability to the Mortgagor if the Mortgagor has in fact so done,
 - (ii) the Mortgagor has made, independently of the Bank, the Mortgagor's own assessment of the viability and profitability of any purchase, project or purpose for which the Mortgagor has incurred

the Secured Obligations, and the Bank shall have no liability to the Mortgagor if the Mortgagor has not in fact so done, and

- (iii) there are no arrangements collateral or relating to this Mortgage which have not been recorded in writing and signed on behalf of the Bank and the Mortgagor.
- (b) The Mortgagor agrees with the Bank that the Bank did not have prior to the date of this Mortgage, does not have and will not have any duty to the Mortgagor
 - (i) in respect of the application by the Mortgagor of the money hereby secured,
 - (ii) in respect of the effectiveness, appropriateness or adequacy of the security constituted by this Mortgage or of any other security for the Secured Obligations, or
 - (iii) to preserve the goodwill of any business carried on by the Mortgagor by running, or procuring the running of, such business or otherwise, either before or after the enforcement of this Mortgage
- (c) The Mortgagor agrees with the Bank for itself and as trustee for its officials, employees and agents that neither the Bank nor its officials, employees or agents shall have any liability to the Mortgagor in respect of any act or omission by the Bank, its officials, employees or agents done or made in good faith

28 MISCELLANEOUS

- 28 1 Any amendment of or supplement to any part of this Mortgage shall only be effective and binding on the Bank and the Mortgagor if made in writing and signed by both the Bank and the Mortgagor. References to "this security", or to "this Mortgage" include each such amendment and supplement
- 28 2 The Mortgagor and the Bank shall from time to time amend the provisions of this Mortgage if the Bank notifies the Mortgagor that any amendments are required to ensure that this Mortgage reflects the market practice prevailing at the relevant time following the introduction or extension of economic and monetary union and/or the euro in all or any part of the European Union.
- 28.3 The Bank and the Mortgagor agree that the occurrence or non-occurrence of European economic and monetary union, any event or events associated with European economic and monetary union and/or the introduction of any new currency in all or any part of the European Union shall not result in the discharge, cancellation, rescission or termination in whole or in part of this Mortgage or give any party hereto the right to cancel, rescind, terminate or vary this Mortgage in whole or in part
- 28 4 Any waiver, consent, receipt, settlement or release given by the Bank in relation to this Mortgage shall only be effective if given in writing and then only for the purpose for and upon any terms on which it is given.
- 28.5 For the purpose of exercising, assigning or transferring its rights under this Mortgage, the Bank may disclose to any person any information relating to the Mortgagor which the Bank has at any time

- 28 6 The restriction on the right of consolidating mortgages contained in Section 93 of the Law of Property Act 1925 shall not apply to this Mortgage or any further or other security entered into pursuant to this Mortgage
- 28 7 Any change in the constitution of the Bank or its absorption of or amalgamation with any other person shall not in any way prejudice or affect its or their rights under this Mortgage and the expression "Bank" shall include any such other person
- 28 8 Unless and until the Bank shall have made demand for payment of any of the Secured Obligations or one of the other events mentioned in sub-clause 9 1 shall have occurred, the Bank shall not be entitled (except for the purposes mentioned in sub-clauses 11(h), 12 2(a) and 14(g)) to enter upon the Mortgaged Property or to obtain possession thereof
- 28 9 The Bank shall be entitled to debit any account for the time being of the Mortgagor with the Bank with any sum falling due to the Bank under this Mortgage
- 28 10 The power of the Bank to appoint an administrator in accordance with sub clause 9 1 shall arise where the security constituted by this Mortgage (together with any other security given by the Mortgagor to the Bank) satisfies any one or more of the provisions of sub paragraphs 14(3) (a), (b) or (c) of Schedule B1 to the Insolvency Act 1986
- 28 11 This document shall at all times be the property of the Bank
- 28 12 The Bank or its nominee shall only exercise the rights attached to any shares subject to this Mortgage in accordance with the Mortgagor's instructions, except where the Bank or its nominee is exercising such right for the purpose of preserving the value of the security hereby created or of realising it
- 29 **PRIOR MORTGAGE(S)**
- 29 1 Any sale in exercise of the statutory or other powers and remedies may be made either subject to or discharged from all or any of the Prior Mortgage(s) and the Bank or any receiver appointed by it may settle and pass the accounts of any person or persons in whom all or any of the Prior Mortgage(s) may for the time being be vested and any account so settled and passed shall as between the Bank or any such receiver and the Mortgagor be deemed to be properly settled and passed and shall be binding on the Mortgagor accordingly
- 29 2 If the person or persons entitled to the benefit of all or any of the Prior Mortgage(s) shall call in the money thereby secured or shall take any step to enforce all or any of the Prior Mortgage(s), the Bank or any receiver appointed by it may thereupon pay off all or any of the Prior Mortgage(s) and take a transfer of the benefit thereof, and the money so expended by the Bank or any such receiver and all costs of and incidental to the transaction incurred by the Bank or any such receiver shall be secured hereby and shall bear interest computed and payable as provided in clauses 2 and 3 from the date of the same having been expended
- 29 3 The Mortgagor shall pay all sums when due and comply with all of the obligations under the Prior Mortgage(s)
- 29 4 The Mortgagor shall not (without obtaining the Bank's prior written consent) increase the principal amount secured by the Prior Mortgage(s) in priority to this Mortgage

30 **LAW AND JURISDICTION**

30 1 This Mortgage and any dispute (whether contractual or non-contractual, including, without limitation, claims in tort, for breach of statutory duty or on any other basis) arising out of or in connection with it or its subject matter ("Dispute") shall be governed by and construed in accordance with the law of England and Wales

30 2 The parties to this agreement irrevocably agree, for the sole benefit of the Bank, that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any Dispute. Nothing in this clause shall limit the right of the Bank to take proceedings against the Mortgagor in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction

IN WITNESS whereof the Mortgagor has executed this Mortgage as a deed and has delivered it upon its being dated

THE FIRST SCHEDULE**THE MORTGAGED PROPERTY**

The property known as or being

The Property

Freehold

124 Falkland Road Hull HU9 5EZ

Including the entirety of the property comprised in the document(s) particulars of which are set out below

Date	Description (Conveyance, Lease, Assignment, Assent etc)	Parties

Title No(s).

Administrative Area

HS 3414063

CITY OF KINGSTON UPON HULL

THE SECOND SCHEDULE**THE PRIOR MORTGAGE(S)**

Date of prior mortgage(s) or charge(s)

Parties

--	--

Use this execution clause if the Mortgagor is a Company and is to execute acting by two directors or one director and the company secretary

Signed as a deed by

The Mortgage Company (1993) Limited

Acting by

Director

Director/Company Secretary

Use this execution clause if the Mortgagor is a Company and is to execute acting by only one director

Signed as a deed by

The Mortgage Company (1993) Limited

Acting by

Director

in the presence of

Witness:

DENNIS MALCOLM BROWN (name)

(signature)

Address

Shackles Chambers
7 Lane of Green
Ginger Hall Hill RD

Occupation

POLICEMAN

Use this execution clause if the Mortgagor is a Limited Liability Partnership

Signed as a deed by

Acting by

Member

Member

NB:- NOT TO BE USED FOR REGISTERED CHARGES

Date (day, month, year)

--	--	--	--	--	--	--	--

Signed as a deed by

--

The within-named LLOYDS BANK PLC (hereinafter called the "Bank") hereby releases ALL AND SINGULAR the assets, property and rights now comprised in or mortgaged, charged or assigned by the within-written Mortgage from the security herein contained, to the intent that the same shall henceforth be held free from the said security and from all claims and demands under the within-written Mortgage.

PROVIDED THAT this release shall not discharge the within-written Mortgagor from any liability to the Bank remaining to be paid or any other security held by the Bank.

IN WITNESS whereof the Bank has executed this instrument as a deed and has delivered it upon its being dated

Signature

--

As attorney for and on behalf of Lloyds Bank plc, in the presence of

Witness' name

--

Witness' signature

--