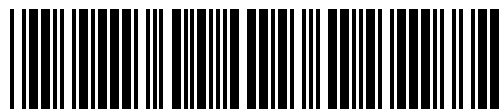




Registration of a Charge

Company Name: **NARANG WHOLESALERS LIMITED**

Company Number: **03083607**



XCVQO0BM

Received for filing in Electronic Format on the: **29/01/2024**

Details of Charge

Date of creation: **26/01/2024**

Charge code: **0308 3607 0009**

Persons entitled: **REWARD FINANCE GROUP LIMITED**

Brief description: **THE FREEHOLD PROPERTIES KNOWN AS: (A) 14 ELDON PLACE, BRADFORD (BD1 3AZ) AND REGISTERED AT THE LAND REGISTRY WITH TITLE NUMBER WYK33732; AND (B) 3 ELDON TERRACE, BRADFORD (BD1 3AN) AND REGISTERED AT THE LAND REGISTRY WITH TITLE NUMBER WYK316257;**

Contains fixed charge(s).

Contains floating charge(s) .

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by:

CLARION SOLICITORS LIMITED



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 3083607

Charge code: 0308 3607 0009

The Registrar of Companies for England and Wales hereby certifies that a charge dated 26th January 2024 and created by NARANG WHOLESALERS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 29th January 2024 .

Given at Companies House, Cardiff on 30th January 2024

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATED

26 January

2024

(1) REWARD FINANCE GROUP LIMITED

AND

(2) NARANG WHOLESALERS LIMITED

LEGAL CHARGE

Clarion

Clarion Solicitors Limited

Elizabeth House

13-19 Queen Street

Leeds

LS1 2TW

Ref: RLS/CHL/43689.264

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THIS DEED is made on

26 January

2024

BETWEEN

- (1) **REWARD FINANCE GROUP LIMITED** incorporated and registered in England and Wales with company number 07385919 whose registered office is at 1st Floor, 12 King Street, Leeds, LS1 2HL (the "Lender");
- (2) **NARANG WHOLESALERS LIMITED** incorporated and registered in England and Wales with company number 03083607 whose registered office is at Narang House 121 City Road, Bradford, BD8 8JR (the "Mortgagor").

BACKGROUND

- (A) The Mortgagor owns the Property.
- (B) This deed provides security, which the Borrower has agreed to ensure is provided to the Lender for the loan facilities made or to be made available to the Borrower under the Facility.

AGREED TERMS**1. Definitions and Interpretation****1.1 The definitions and rules of interpretation in this clause apply in this legal mortgage:**

Borrower: Region Enterprises Limited (company number: 03302319) whose registered office is at 121 City Road, Bradford, West Yorkshire, BD8 8JR;

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;

Charged Property: the freehold/leasehold or immovable Property assets debts rights and undertaking charged to the Lender by this legal mortgage and includes any part of or interest in it or in the proceeds of sale and all rights attached or appurtenant to it and all buildings fixtures fittings plant and machinery from time to time situate on it. References to the Charged Property shall include references to any part of it;

Costs: all costs, charges, expenses, taxes and liabilities of any kind, including (without limitation) costs and damages in connection with litigation, professional fees, disbursements and any VAT charged on Costs which the Lender or any Receiver or Delegate may charge or incur in relation to this legal mortgage, the Facility, the Charged Property or breach of any provision of this legal mortgage by the Mortgagor;

Delegate: any person appointed by the Lender or any Receiver pursuant to clause 14 and any person appointed as attorney of the Lender, Receiver or Delegate;

Encumbrance: any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect;

Environment: the natural and man-made environment including all or any of the following, namely air, water and land, (including air within buildings and other natural or man made structures above or below the ground) and any living organisms (including man) or systems supported by those media;

Environmental Law: all applicable laws statutes, treaties, regulations, secondary legislation, bye-laws, common law, directives or similar measures, judgements and decisions of any court or tribunal, codes of practice and guidance notes insofar as they relate to or apply to the Environment;

Environmental Licence: any authorisation, permit or licence required under an Environmental Law in respect of any of the Charged Property;

Event Of Default: shall mean those matters as set out in clause 11;

Facility: the facility dated on or around the date hereof between the Borrower and the Lender and also including any supplemental finance documents referred to in that facility and any subsequent facilities agreed between the Lender and the Borrower which replace or amend existing facility arrangements;

Financial Collateral: has the meaning given to that expression in the Facility;

Financial Collateral Regulations: the Financial Collateral Arrangements (No 2) Regulations 2003 (SI 2003/3226);

Insurance Policies: each contract and policy of insurance effected or maintained from time to time in respect of the Property;

LPA: the Law of Property Act 1925;

Property: the freehold properties known as:

- (a) 14 Eldon Place, Bradford (BD1 3AZ) and registered at the Land Registry with title number WYK33732; and
- (b) 3 Eldon Terrace, Bradford (BD1 3AN) and registered at the Land Registry with title number WYK316257;

Receiver: a receiver and/or receiver and manager appointed by the Lender of any or all of the Charged Property;

Rent: all amounts paid or payable to or for the benefit of the Mortgagor by way of rent, licence fee, service charge, dilapidations, ground rent and rent charge in respect of any part of the Property and other monies payable to or for the benefit of the Mortgagor in respect of occupation or usage of any part of the Property, including (without limitation) for display of advertisements on licence or otherwise;

Rights: any Encumbrance or other right or benefit whether arising by set-off, counterclaim, subrogation, indemnity, proof in liquidation or otherwise and whether from contribution or otherwise;

Secured Liabilities: all present and future monies, obligations and liabilities of either the Borrower or the Mortgagor to the Lender, whether actual or contingent and whether owed jointly or severally, as principal or surety and/or in any other capacity, including but not limited to all monies obligations and liabilities arising under or in connection with the Facility and/or this legal mortgage (including, without limitation, those arising under clause 22.3.2) and any other supplemental finance documents referred to in the Facility together with all Costs and interest (including, without limitation, default interest) accruing in respect of such monies or liabilities and so that interest shall be computed and compounded according to the usual mode of the Lender as well after as before any demand is made or judgement obtained;

Security Financial Collateral Arrangement: has the meaning given to that expression in the Financial Collateral Regulations;

Security Period: the period starting on the date of this legal mortgage and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding;

Valuation: any valuation relating to the Property supplied to the Lender by the Mortgagor (or on its behalf);

VAT: value added tax or any equivalent tax chargeable in the UK or elsewhere.

1.2 In this legal mortgage:

- 1.2.1 a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force for the time being, taking account of any amendment or

- re-enactment or extension and includes any former statute, statutory provision or subordinate legislation which it amends or re-enacts;
- 1.2.2 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
 - 1.2.3 unless the context otherwise requires, words in the singular shall include the plural and in the plural include the singular;
 - 1.2.4 a reference to a clause or schedule is to a clause of, or schedule to, this legal mortgage and references to paragraphs are to paragraphs of the relevant schedule, unless the context otherwise requires;
 - 1.2.5 a reference to this legal mortgage (or any provision of it) or any other document shall be construed as a reference to this legal mortgage, that provision or that document as it is in force for the time being and as amended in accordance with its terms or with the agreement of the relevant parties;
 - 1.2.6 a reference to a person shall include a reference to an individual, firm, company, partnership, corporation, unincorporated body of persons, or any state or any agency of any person;
 - 1.2.7 a reference to an amendment includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly);
 - 1.2.8 a reference to assets includes present and future properties, undertakings, revenues, rights and benefits of every description;
 - 1.2.9 a reference to an authorisation includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
 - 1.2.10 a reference to a regulation includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organization;
 - 1.2.11 a reference to determines or determined means, unless the contrary is indicated, a determination at the discretion of the person making it;
 - 1.2.12 clause, schedule and paragraph headings shall not affect the interpretation of this legal mortgage.
- 1.3 If the Lender considers that an amount paid by the Borrower and/or the Mortgagor in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Borrower, the Mortgagor or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this legal mortgage.
- 1.4 A reference in this legal mortgage to a charge or mortgage of or over the Property includes:
- 1.4.1 all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) and fixed plant and machinery which are situated on or form part of the Property at any time;
 - 1.4.2 the proceeds of sale of the Property or any part of the Property, the Rent and any other monies paid or payable in respect of or in connection with the Property;
 - 1.4.3 the benefit of any covenants for title given, or entered into, by any predecessor in title of the Mortgagor in respect of the Property and any monies paid or payable in respect of those covenants; and
 - 1.4.4 all rights under any licence, agreement for sale or agreement for lease in respect of the Property or any part of the Property.

- 1.5 For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Facility and of any side letters or supplemental finance documents between any parties in relation to the Facility are incorporated into this legal mortgage.
- 1.6 A third party (being any person other than the Borrower, the Mortgagor, the Lender and its permitted successors and assigns, any Receiver and any Delegate) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce, or to enjoy the benefit of, any term of this legal mortgage.
- 1.7 If the rule against perpetuities applies to any trust created by this legal mortgage, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).
- 1.8 The schedules form part of this legal mortgage and shall have effect as if set out in full in the body of this legal mortgage. Any reference to this legal mortgage includes the schedules.

2. Covenant to Pay

- 2.1 The Mortgagor shall, on demand, pay to the Lender and discharge the Secured Liabilities when they become due.
- 2.2 The Lender shall be under no obligation to seek payment of the Secured Liabilities from the Borrower or any other any third party before seeking payment from the Mortgagor.
- 2.3 The Mortgagor shall pay interest on any amounts due under clause 2.1 day to day until full discharge (whether before or after judgment, liquidation, winding-up or administration of the Mortgagor) at the rate and in the manner specified in the Facility. In the case of any Costs, such interest shall accrue and be payable as from the date on which the relevant Costs arose, without the need for any demand for payment being made.

3. Grant of Security

- 3.1 As a continuing security for the payment and discharge of the Secured Liabilities, the Mortgagor with full title guarantee charges to the Lender:
 - 3.1.1 by way of legal mortgage, the Property; and
 - 3.1.2 by way of fixed charge:
 - 3.1.2.1 all its rights in any Insurance Policies, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy, any Rent and the benefit of any guarantee or security in respect of Rent to the extent not effectively assigned under clause 3.2;
 - 3.1.2.2 the benefit of all contracts, guarantees, appointments, warranties and other documents to which the Mortgagor is a party or in its favour or of which it has the benefit relating to any letting, development, sale, purchase or the operation or otherwise relating to the Charged Property, including, in each case, but without limitation, the right to demand and receive all monies whatsoever payable to or for its benefit under or arising from any of them, all remedies provided for in any of them or available at law or in equity in relation to any of them, the right to compel performance of any of them and all other rights, interests and benefits whatsoever accruing to or for its benefit arising from any of them; and
 - 3.1.2.3 all licences, consents, authorisations (statutory or otherwise) held or required in connection with the Mortgagor or Borrower's business carried on at the Property or the use of any Charged Property, and all rights in connection with them.
- 3.2 As a continuing security for the payment and discharge of the Secured Liabilities, the Mortgagor with full title guarantee assigns to the Lender absolutely, subject to a proviso for

reassignment on irrevocable discharge in full of the Secured Liabilities, all its rights in any Rent and in any policies of insurance relating to the Property, including all claims, the proceeds of any claims and all returns of premiums in connection with Insurance Policies provided that nothing in this clause 3 shall constitute the Lender as mortgagee in possession.

- 3.3 If the Mortgagor is a company incorporated under the Companies Act 2006 the Mortgagor also charges by way of floating security all movable plant, machinery, implements, building, materials, furniture and equipment now or from time to time placed on or used in or about the Property with the payment of all money covenanted to be paid by the Mortgagor under this charge and the definition of the "Property" shall be construed accordingly.

4. Perfection of Security

- 4.1 The Mortgagor consents to an application being made by the Lender to the Land Registrar for the following restriction in Form P to be registered against its title to the Property:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction is to be registered without a written consent signed by the proprietor for the time being of the charge dated 16 January 2024 in favour of Reward Finance Group Limited referred to in the charges register or their conveyancer."

- 4.2 If the title to the Property is not registered at the Land Registry, the Mortgagor shall ensure that no person (other than itself) shall be registered under the Land Registration Act 2002 as the proprietor of all or any part of the Property, without the prior written consent of the Lender.
- 4.3 Whether or not title to the Property is registered at the Land Registry, if any caution against first registration or any notice (whether agreed or unilateral) is registered against the Mortgagor's title to the Property, the Mortgagor shall immediately provide the Lender with full particulars of the circumstances relating to such caution or notice. If such caution or notice was registered to protect a purported interest the creation of which is not permitted under this legal mortgage, the Mortgagor shall immediately, and at its own expense, take such steps as the Lender may require to ensure that the caution or notice, as applicable, is withdrawn or cancelled.
- 4.4 In the event that this legal mortgage is deemed incapable of being registered as a legal mortgage at the Land Registry, the Mortgagor hereby irrevocably agrees to the Lender applying to note this legal mortgage as an equitable charge on the title register of the Property and applying for a restriction in Form N as required to record on the title register of the Property that the consent of the Lender is required to any future disposition of the Property.

5. Lender's Covenant for Further Advances

- 5.1 Subject to the provisions of clause 5.2 below the Lender has covenanted that it may (at the absolute discretion of the Lender) make further advances to the Borrower from time to time pursuant to and subject to the terms of the Facility.
- 5.2 The covenant by the Lender referred to in clause 5.1 shall not be effective or enforceable unless at the time of the proposed further advance:
- 5.2.1 the Mortgagor has paid all interest previously falling due under this security;
 - 5.2.2 the Mortgagor and the Borrower have in all respects observed and performed the obligations under this legal mortgage and the Facility; and
 - 5.2.3 the Mortgagor and the Borrower have complied with any proposed restrictions and/or obligations relating to any further advance which may be made by the Lender.
- 5.3 The covenant to make further advances will cease to be effective or enforceable once the money secured by this legal mortgage has become due and payable.

- 5.4 The Mortgagor acknowledges the covenant contained in clause 5.1 and consents to the Lender making an application to the Land Registry for the obligation to make further advances to be noted on the registers of title of the Property.

6. Liability of the Mortgagor

- 6.1 The Mortgagor's liability under this legal mortgage in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

- 6.1.1 any intermediate payment, settlement of account or discharge in whole or part of the Secured Liabilities;
- 6.1.2 any security, guarantee, indemnity, remedy or other right held by, or available to, the Lender that is or becomes wholly or partially illegal, void or unenforceable on any ground; or
- 6.1.3 the Lender renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person;
- 6.1.4 any insolvency, bankruptcy, liquidation, administration, winding up, incapacity, limitation, disability, the discharge by operation of law, or any change in the constitution, name or style of the Borrower, the Mortgagor or any other person; or
- 6.1.5 any other act or omission, which but for this clause 6, might operate to exonerate or discharge the Mortgagor or otherwise reduce or extinguish its liability under this deed.

- 6.2 The Mortgagor waives any right it may have to require the Lender to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this legal mortgage against the Mortgagor.

- 6.3 The Mortgagor warrants to the Lender that it has not taken or received, and shall not take, exercise or receive the benefit of any Rights from or against the Borrower, its liquidator, administrator, co guarantor, trustee in bankruptcy or any other person in connection with any liability of, or payment by, the Mortgagor under this deed but:

- 6.3.1 if any of the Rights is taken, exercised or received by the Mortgagor, those Rights and all monies at any time received or held in respect of those Rights shall be held by the Mortgagor on trust for the Lender for application in or towards the discharge of the Secured Liabilities under this deed; and
- 6.3.2 on demand by the Lender, the Mortgagor shall promptly transfer, assign or pay to the Lender, all Rights and all monies from time to time held on trust by the Mortgagor under this clause.

7. Representations and Warranties

- 7.1 The Mortgagor represents and warrants to the Lender in the terms set out in Schedule 1 on each day during the Security Period.

8. Covenants

- 8.1 The Mortgagor covenants with the Lender in the terms set out in Schedule 2.

9. Powers of the Lender

- 9.1 The Lender shall have the powers set out in Schedule 3.

10. Enforcement

- 10.1 The security constituted by this legal mortgage shall be immediately enforceable and the power of sale and other powers given by section 101 of the LPA (as varied or extended by

this legal mortgage) shall be immediately exercisable at any time after the occurrence of an Event of Default (whether or not such Event of Default is still continuing).

- 10.2 Section 103 of the LPA shall not apply to this legal mortgage and the statutory power of sale and other powers given by section 101 of the LPA (as varied or extended by this legal mortgage) shall, as between the Lender and a purchaser, arise on the execution of this legal mortgage and be exercisable at any time after such execution, but the Lender shall not exercise such power of sale until the security constituted by this legal mortgage has become enforceable under clause 11.
- 10.3 After the security constituted by this legal mortgage has become enforceable, the Lender may in its absolute discretion enforce all or any part of that security at the times, in the manner and on the terms it thinks fit and take possession of and hold or dispose of all or any part of the Charged Property.
- 10.4 The statutory powers of leasing and accepting surrenders are extended so as to authorise the Lender and any Receiver, at any time after the security constituted by this legal mortgage has become enforceable, whether in its own name or in that of the Mortgagor, to make any lease or agreement for lease, accept surrenders of leases or grant any option of the whole or any part of the Property with whatever rights relating to other parts of it, containing whatever covenants on the part of the Mortgagor, generally on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) and whether or not at a premium as the Lender or Receiver thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA.
- 10.5 Each Receiver and the Lender is entitled to all the rights, powers, privileges and immunities conferred by the LPA on mortgagees and receivers.
- 10.6 Neither the Lender, any Receiver nor any Delegate shall be liable to account as mortgagee in possession in respect of all or any of the Charged Property, nor shall any of them be liable for any loss on realisation of, or for any neglect or default of any nature in connection with, all or any of the Charged Property for which a mortgagee in possession might be liable as such.
- 10.7 If the Lender, any Receiver or any Delegate enters into or takes possession of the Charged Property, it or he may at any time relinquish possession.
- 10.8 To the extent that:
- 10.8.1 the Charged Property constitutes Financial Collateral; and
- 10.8.2 this deed and the obligations of the Mortgagor under it constitute a Security Financial Collateral Arrangement;
- the Lender shall have the right, at any time after the security constituted by this deed has become enforceable, to appropriate all or any of the Charged Property in or towards the payment or discharge of the Secured Liabilities in any order that the Lender may, in its absolute discretion, determine.
- 10.9 The value of any Charged Property appropriated in accordance with clause 10.8 shall be, in the case of cash, the amount standing to the credit of any rent account of the Mortgagor, together with any accrued but unpaid interest, at the time the right of appropriation is exercised.
- 10.10 The Mortgagor agrees that the method of valuation provided for in clauses 10.8 and 10.9 are commercial reasonable for the purposes of the Financial Collateral Regulations.

11. Event of Default

11.1 An Event of Default shall mean:

- 11.1.1 non-payment of any sums required by the terms of the Facility or a breach of any of the terms of the Facility or this legal mortgage whether by the Mortgagor or the Borrower; or

- 11.1.2 the Mortgagor or the Borrower summoning a meeting of its creditors, making a proposal for a voluntary arrangement, becoming subject to a voluntary arrangement, or being unable to pay its debts within the meaning of section 123 Insolvency Act 1986; or
- 11.1.3 the Mortgagor or the Borrower having a receiver, manager or administrative receiver appointed over any of its assets, undertaking or income; or
- 11.1.4 the Mortgagor or the Borrower passing a resolution for its winding up (save for the purpose of a voluntary reconstruction or amalgamation) or being subject to a petition presented to any Court for its winding up (save for the purpose of a voluntary reconstruction or amalgamation); or
- 11.1.5 the Mortgagor or the Borrower having a provisional liquidator appointed, having a proposal made for a scheme of arrangement under section 425 Companies Act 1985 or having an administrator appointed in respect of it; or
- 11.1.6 the Mortgagor or the Borrower being the subject of an application for administration filed at any court or a notice of appointment of an administrator filed at any court or a notice of intention to appoint an administrator given by any person; or
- 11.1.7 the Mortgagor or the Borrower becoming the subject of a notice to strike off the register at Companies House; or
- 11.1.8 the Mortgagor or the Borrower becoming the subject of a bankruptcy petition or being made bankrupt; or
- 11.1.9 the Mortgagor or the Borrower having any distraint, execution or other process levied or enforced on any of its property; or
- 11.1.10 any other event or matter occurring which in the reasonable belief of the Lender places the Facility or this legal mortgage in jeopardy and prejudices the position of the Lender.

12. Receivers

- 12.1 At any time after the security constituted by this legal mortgage has become enforceable or at the request of the Mortgagor, the Lender may, without further notice:
 - 12.1.1 appoint by way of deed, or otherwise in writing, any one or more person or persons to be a receiver or a receiver and manager, of all or any part of the Charged Property; and
 - 12.1.2 (subject to section 45 of the Insolvency Act 1986) from time to time, by way of deed or otherwise in writing, remove any person appointed to be Receiver and may, in a similar manner, appoint another in his place.
- 12.2 Where more than one person is appointed Receiver, they shall have power to act separately (unless the appointment by the Lender specifies to the contrary).
- 12.3 The power to appoint a Receiver conferred by this legal mortgage shall be in addition to all statutory and other powers of the Lender under the Insolvency Act 1986, the LPA or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA.
- 12.4 The power to appoint a Receiver (whether conferred by this legal mortgage or by statute) shall be, and remain, exercisable by the Lender despite any prior appointment in respect of all or any part of the Charged Property.
- 12.5 The Lender may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA and the remuneration of the Receiver shall be a debt secured by this legal mortgage which shall be due and payable immediately upon its being paid by the Lender.

13. Powers and Capacity of a Receiver

- 13.1 Any Receiver appointed by the Lender under this legal mortgage shall, in addition to the powers conferred on him by the LPA and the Insolvency Act 1986 or otherwise, have the powers set out in Schedule 4 and such powers shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA or otherwise.
- 13.2 Any exercise of any of the powers of a Receiver by the Receiver may be on behalf of the Mortgagor, the directors of the Mortgagor or himself.
- 13.3 Any Receiver appointed by the Lender under this legal mortgage shall be the agent of the Mortgagor and the Mortgagor shall be solely responsible for his acts, omissions, losses, liabilities and remuneration, as well as for any defaults committed by him. The agency of each Receiver shall continue until the Mortgagor goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Lender.
- 13.4 The power to appoint a Receiver (whether conferred by this deed or statute) shall be and remain exercisable by the Lender despite any prior appointment in respect of all or any part of the Charged Property.

14. Delegation

- 14.1 Each of the Lender and any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this legal mortgage (including the power of attorney granted under clause 18.1). Any such delegation may be made upon such terms and conditions (including the power to sub-delegate) as the Lender or any Receiver shall think fit. Neither the Lender nor any Receiver shall be in any way liable or responsible to the Mortgagor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

15. Application of Proceeds

- 15.1 All monies received by the Lender, a Receiver or a Delegate (other than sums received pursuant to any Insurance Policy) pursuant to this legal mortgage after the security constituted by this legal mortgage has become enforceable, shall (subject to the claims of any person having prior rights and by way of variation of the LPA) be applied:
 - 15.1.1 first in paying all costs, liabilities, charges and expenses incurred by or on behalf of the Lender (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this legal mortgage;
 - 15.1.2 second in paying the remuneration of any Receiver (as agreed between the Receiver and the Lender);
 - 15.1.3 third in or towards discharge of the Secured Liabilities in such order and manner as the Lender determines; and
 - 15.1.4 finally in paying any surplus to the Mortgagor or any other person entitled to it.
- 15.2 Neither the Lender, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.
- 15.3 All monies received by the Lender or a Receiver or a Delegate under this legal mortgage (other than sums received pursuant to any Insurance Policy which are not going to be applied in or towards discharge of the Secured Liabilities) may, at the discretion of the Lender, Receiver or Delegate, be credited to any suspense or securities realised account and shall bear interest at such rate, if any, as may be agreed in writing between the Lender, Receiver or Delegate and the Mortgagor, and may be held in such account for so long as the Lender, Receiver or Delegate thinks fit.

16. Protection of Third Parties**16.1** No purchaser, mortgagee or other person dealing with the Lender or any Receiver or Delegate shall be concerned:

16.1.1 to enquire whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged, or whether the power the Lender or a Receiver or Delegate is purporting to exercise has become exercisable; or

16.1.2 to see to the application of any money paid to the Lender or any Receiver or Delegate.

16.2 The receipt of the Lender or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Charged Property or in making any acquisition in the exercise of their respective powers, the Lender, every Receiver and every Delegate may do so for such consideration, in such manner and on such terms as it or he thinks fit.**17. Costs and Indemnity****17.1** The Mortgagor shall pay to, or reimburse, the Lender and any Receiver on demand, on a full indemnity basis, all Costs incurred by the Lender, any Receiver or Delegate in relation to:

17.1.1 this legal mortgage or the Charged Property;

17.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lender's, Receiver's or Delegate's rights under this legal mortgage; and

17.1.3 suing for, or recovering, any of the Secured Liabilities,

(including, without limitation, the Costs of any proceedings in relation to this legal mortgage or the Secured Liabilities), together with interest from day to day until full discharge (whether before or after judgment, liquidation, winding-up or administration of the Mortgagor) at the default rate specified in the Facility. In the case of any Costs, such interest shall accrue and be payable as from the date on which the relevant Costs arose, without the need for any demand for payment being made.

17.2 The Lender, any Receiver and any Delegate, and their respective employees and agents, shall be indemnified by the Mortgagor on a full indemnity basis out of the Charged Property in respect of all actions, liabilities and Costs incurred or suffered in or as a result of:

17.2.1 the exercise, or purported exercise, of any of the powers, authorities or discretions vested in them under this legal mortgage; or

17.2.2 any matter or thing done, or omitted to be done, in relation to the Charged Property under those powers; or

17.2.3 any default or delay by the Mortgagor in performing any of its obligations under this legal mortgage.

17.3 Any past or present employee or agent may enforce the terms of clause 17.2 subject to and in accordance with the Contracts (Rights of Third Parties) Act 1999.**18. Power of Attorney****18.1** By way of security, the Mortgagor irrevocably appoints the Lender, every Receiver and every Delegate separately to be the attorney of the Mortgagor and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things which:

18.1.1 the Mortgagor is required to execute and do under this legal mortgage; and

- 18.1.2 any attorney may deem proper or desirable in exercising any of the powers, authorities and discretions conferred by this legal mortgage or by law on the Lender, any Receiver or any Delegate.
- 18.2 The Mortgagor ratifies and confirms, and agrees to ratify and confirm, anything which any of its attorneys may do in the proper and lawful exercise or purported exercise of all or any of the powers, authorities and discretions referred to in clause 18.1.
- 19. Release**
- 19.1 Subject to clause 22.3, on the expiry of the Security Period (but not otherwise), the Lender shall, at the request and cost of the Mortgagor, take whatever action is necessary to release the Charged Property from the security constituted by this legal mortgage.
- 20. Assignment and Transfer**
- 20.1 At any time, without the consent of the Mortgagor, the Lender may assign or transfer the whole or any part of the Lender's rights and/or obligations under this legal mortgage to any person. The Lender may disclose such information about the Mortgagor, the Charged Property and this legal mortgage as the Lender considers appropriate to any actual or proposed assignee or transferee.
- 20.2 The Mortgagor may not assign any of its rights, or transfer any of its obligations, under this legal mortgage or enter into any transaction which would result in any of those rights or obligations passing to another person.
- 21. Prior Security Interests**
- 21.1 At any time after this legal mortgage has become enforceable, or after any powers conferred by any other security having priority to this legal mortgage shall become exercisable, the Lender may:
- 21.1.1 redeem such or any other prior security interest;
- 21.1.2 procure the transfer of that security interest to itself; and/or
- 21.1.3 settle any account of the holder of any prior security interest.
- 21.2 The settlement of any such account shall be, in the absence of any manifest error, conclusive and binding on the Mortgagor. All monies paid by the Lender to an encumbrancer in settlement of such an account shall be, as from its payment by the Lender, due from the Mortgagor to the Lender and shall bear interest at the rate specified in the Facility and be secured as part of the Secured Liabilities.
- 22. Further Provisions**
- 22.1 This legal mortgage shall be in addition to, and independent of, every other security or guarantee which the Lender may hold for any of the Secured Liabilities at any time. No prior security held by the Lender over the whole or any part of the Charged Property shall merge in the security created by this legal mortgage.
- 22.2 This legal mortgage shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Lender discharges this legal mortgage in writing.
- 22.3 Any release, discharge or settlement between the Mortgagor and the Lender shall be deemed conditional on no payment or security received by the Lender in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:
- 22.3.1 the Lender or its nominee may retain this legal mortgage and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Charged Property, for such period as the Lender deems necessary

to provide the Lender with security against any such avoidance, reduction or order for refund; and

- 22.3.2 the Lender may recover the value or amount of such security or payment from the Mortgagor subsequently as if such release, discharge or settlement had not occurred.
- 22.4 A certificate or determination by the Lender as to any amount for the time being due to it from the Mortgagor shall (in the absence of any manifest error) be conclusive evidence of the amount due.
- 22.5 The rights and powers of the Lender conferred by this legal mortgage are cumulative, may be exercised as often as the Lender considers appropriate, and are in addition to its rights and powers under the general law.
- 22.6 Any waiver or variation of any right by the Lender (whether arising under this legal mortgage or under the general law) shall only be effective if it is in writing and signed by the Lender and applies only in the circumstances for which it was given, and shall not prevent the Lender from subsequently relying on the relevant provision.
- 22.7 No act or course of conduct or negotiation by or on behalf of the Lender shall, in any way, preclude the Lender from exercising any right or power under this legal mortgage or constitute a suspension or variation of any such right or power.
- 22.8 No delay or failure to exercise any right or power under this legal mortgage shall operate as a waiver.
- 22.9 No single or partial exercise of any right under this legal mortgage shall prevent any other or further exercise of that or any other right.
- 22.10 The restriction on the right of consolidation contained in section 93 of the LPA shall not apply to this legal mortgage.
- 22.11 The invalidity, unenforceability or illegality of any provision (or part of a provision) of this legal mortgage under the laws of any jurisdiction shall not affect the validity, enforceability or legality of the other provisions. If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with any modification necessary to give effect to the commercial intention of the parties.
- 22.12 This legal mortgage may be executed and delivered in any number of counterparts, each of which is an original and which together have the same effect as if each party had signed the same document.

23. Notices

- 23.1 Each notice or other communication required to be given under, or in connection with, this legal mortgage shall be in writing, delivered personally or sent by pre-paid first class letter or fax and sent to:
 - 23.1.1 the Lender at: 1st Floor, 12 King Street, Leeds, LS1 2HL;
 - 23.1.2 the Mortgagor at its registered office address; or
 - 23.1.3 such other address or fax number as is notified in writing by one party to the other from time to time.
- 23.2 Any notice or other communication that the Lender gives shall be deemed to have been received:
 - 23.2.1 if sent by fax, when received in legible form;
 - 23.2.2 if given by hand, at the time of actual delivery; and

- 23.2.3 if posted, on the second Business Day after the day it was sent by pre-paid first class post.
- 23.3 A notice or other communication given as described in clause 23.1 on a day which is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.
- 23.4 Any notice or other communication given to the Lender shall be deemed to have been received only on actual receipt.
- 24. Governing Law and Jurisdiction**
- 24.1 This legal mortgage and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.
- 24.2 The parties to this legal mortgage irrevocably agree that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this legal mortgage or its subject matter or formation (including non-contractual disputes or claims). Nothing in this clause shall limit the right of the Lender 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.
- 24.3 The Mortgagor irrevocably consents to any process in any proceedings under clause 24.2 being served on it in accordance with the provisions of this legal mortgage relating to service of notices. Nothing contained in this legal mortgage shall affect the right to serve process in any other manner permitted by law.

This document has been entered into on the date stated at the beginning of it.

Schedule 1 - Representations and Warranties

1. Ownership of Charged Property

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

2. No Encumbrances

- 2.1 The Charged Property is free from Encumbrances other than the Encumbrances created by this legal mortgage and any legal charge completed by registration against the Property at the Land Registry prior to the date of this legal mortgage.

3. Adverse claims

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

4. Adverse covenants

- 4.1 There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever, which materially adversely affect the Charged Property.

5. No breach of laws

- 5.1 There is no breach of any law or regulation which materially adversely affects the Charged Property.

6. No interference in enjoyment

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

7. No overriding interests

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

8. Avoidance of security

- 8.1 No Encumbrance expressed to be created under this legal mortgage is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Mortgagor or otherwise.

9. No prohibitions or breaches

- 9.1 There is no prohibition on the Mortgagor assigning its rights in any of the Charged Property referred to in clause 3.1 and the entry into of this legal mortgage by the Mortgagor does not and will not constitute a breach of any lease, policy, agreement, document or instrument binding on the Mortgagor or its assets.

10. Environmental compliance

- 10.1 The Mortgagor has, at all times complied in all material respects with all applicable Environmental Law and Environmental Licences.

11. Information for Valuations

- 11.1 All written information supplied by the Mortgagor or on its behalf for the purpose of each Valuation was true and accurate in all material respects as at its date or as at the date (if any) on which it was stated to be given.
- 11.2 The information referred to in paragraph 11.1 of this Schedule 1 was, as at its date or as at the date (if any) on which it was stated to be given, complete and the Mortgagor did not omit to supply any information which, if disclosed, would adversely affect the Valuation.

11.3 In the case of the first Valuation, nothing has occurred since the date the information referred to in paragraph 11.1 of this Schedule 1 was supplied and the date of this legal mortgage which would adversely affect such Valuation.

12. Enforceable security

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

Schedule 2 - Covenants

Part 1 - General Covenants

1. Negative pledge and disposal restrictions

1.1 The Mortgagor shall not at any time, except with the prior written consent of the Lender:

- 1.1.1 create, purport to create or permit to subsist any Encumbrance on, or in relation to, the Charged Property other than this legal mortgage; or
- 1.1.2 sell, assign, transfer, part with possession of or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, the Charged Property; or
- 1.1.3 create or grant (or purport to create or grant) any interest in the Charged Property in favour of a third party.

2. Preservation of Charged Property

2.1 The Mortgagor shall not do, or permit to be done, any act or thing which would or might depreciate, jeopardise or otherwise prejudice the security held by the Lender or materially diminish the value of any of the Charged Property or the effectiveness of the security created by this legal mortgage.

3. Enforcement of rights

3.1 The Mortgagor shall use its best endeavours to:

- 3.1.1 procure the prompt observance and performance by the relevant counterparty to any agreement or arrangement with the Mortgagor and forming part of the Charged Property of the covenants and other obligations imposed on such counterparty; and
- 3.1.2 enforce any rights and institute, continue or defend any proceedings relating to any of the Charged Property which the Lender may require from time to time.

4. Compliance with laws

4.1 The Mortgagor shall comply with all laws and regulations for the time being in force relating to or affecting any Charged Property and shall obtain and promptly renew from time to time and comply with the terms of all authorisations which may be necessary to enable it to preserve, maintain or renew any Charged Property.

5. Notice of breaches

5.1 The Mortgagor shall, promptly on becoming aware of any of the same, give the Lender notice in writing of any breach of:

- 5.1.1 any representation or warranty set out in Schedule 1; and
- 5.1.2 any covenant set out in this Schedule 2.

6. Title documents

6.1 The Mortgagor shall, on the execution of this legal mortgage, deposit with the Lender and the Lender shall, for the duration of this legal mortgage, be entitled to hold:

- 6.1.1 all deeds and documents of title relating to the Charged Property which are in the possession or control of the Mortgagor (if these are not within the possession and/or control of the Mortgagor, the Mortgagor undertakes to obtain possession of all such deeds and documents of title); and
- 6.1.2 any Insurance Policies.

7. Notices to be given by the Mortgagor**7.1 The Mortgagor shall immediately on the execution of this legal mortgage:**

- 7.1.1 give notice to the relevant insurers of the assignment pursuant to clause 3.2 of the Mortgagor's rights and interest in and under the Insurance Policies (including the proceeds of any claims under Insurance Policies) and procure that each addressee of such notice promptly provides an acknowledgement of that notice to the Lender;
- 7.1.2 obtain the Lender's prior approval of the form of any notice or acknowledgement to be used under this paragraph 7.

8. Further assurance

- 8.1 The Mortgagor, at its own cost, shall prepare and execute such further legal or other mortgages, charges or transfers (containing a power of sale and such other provisions as the Lender may reasonably require) in favour of the Lender as the Lender, in its absolute discretion, requires from time to time over all or any part of the Charged Property and give all notices, orders and directions which the Lender may require, in its absolute discretion, for perfecting, protecting or facilitating the realisation of its security over the Charged Property.

9. Mortgagor's waiver of set-off

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

Part 2 - Property Covenants**1. Repair and maintenance**

- 1.1 The Mortgagor shall keep all premises, and fixtures and fittings on the Property in good and substantial repair and condition and shall keep all premises adequately and properly painted and decorated and replace any fixtures and fittings which have become worn out or otherwise unfit for use by others of a like nature and equal value.

2. No alterations

- 2.1 The Mortgagor shall not, without the prior written consent of the Lender:

- 2.1.1 pull down or remove the whole or any part of any building forming part of the Property nor permit the same to occur; or
- 2.1.2 make or permit to be made any alterations to the Property or sever or remove or permit to be severed or removed any of its fixtures or fittings (except to make any necessary repairs or renew or replace the same in accordance with paragraph 1 of this Part 2 of Schedule 2).

- 2.2 The Mortgagor shall promptly give notice to the Lender if the premises or fixtures or fittings forming part of the Property are destroyed or damaged.

3. Development restrictions

- 3.1 The Mortgagor shall not, without the prior written consent of the Lender:

- 3.1.1 make or, in so far as it is able, permit others to make any application for planning permission or development consent in respect of the Property; or
- 3.1.2 carry out or permit or suffer to be carried out on the Property any development as defined in each of the Town and Country Planning Act 1990 and the Planning Act 2008 or change or permit or suffer to be changed the use of the Property.

4. Insurance

- 4.1 The Mortgagor shall insure and keep insured (or where, in the case of any leasehold property, insurance is the responsibility of the landlord under the terms of the lease, either procure that the landlord insures and keeps insured or, if and to the extent that the landlord does not do so, itself insure and keep insured) the Charged Property against:
- 4.1.1 loss or damage by fire or terrorist acts, including any third party liability arising from such acts;
 - 4.1.2 other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Mortgagor; and
 - 4.1.3 any other risk, perils and contingencies as the Lender may reasonably require.
- 4.2 Any such insurance must be with an insurance company or underwriters and on such terms as are reasonably acceptable to the Lender and must include property owners' public liability and third party liability insurance and be for not less than the replacement value of the Charged Property (meaning in the case of any premises on the Property, the total cost of entirely rebuilding, reinstating or replacing the premises in the event of their being destroyed, together with architects', surveyors', engineers' and other professional fees and charges for shoring or propping up, demolition, site clearance and reinstatement with adequate allowance for inflation) and loss of rents payable by the tenants or other occupiers of the Property for a period of at least three years (including provision for increases in rent during the period of insurance).
- 4.3 The Mortgagor shall, if requested by the Lender, produce to the Lender the policy, certificate or cover note relating to any such insurance required by paragraph 4 of this Part 2 of Schedule 2 (or where, in the case of any leasehold property, such insurance is effected by the landlord, such evidence of insurance as the Mortgagor is entitled to obtain from the landlord under the terms of the relevant lease).
- 4.4 The Mortgagor shall, if requested by the Lender, procure that a note of the Lender's interest is endorsed upon or the Lender is named as co-insured with the Mortgagor on each Insurance Policy maintained by it or any person on its behalf in accordance with paragraph 4 of this Part 2 of Schedule 2 and procure that:
- 4.4.1 that the terms of each such Insurance Policy require the insurer not to invalidate the policy as against the Lender by reason of the act or default of any other joint or named insured or any misrepresentation, non-disclosure or failure to make a fair presentation of risk by any other insured party; and
 - 4.4.2 each Insurance Policy includes a waiver of each insurer's rights of subrogation against the Mortgagor, the Lender and the tenants of the Property, other than any such rights arising in connection with any fraud or criminal offence committed by any of those persons in respect of the Property or any Insurance Policy; and
 - 4.4.3 each Insurance Policy includes terms ensuring that no insurer can repudiate, rescind or cancel it, treat it as avoided in whole or in part or treat it as expired due to non-payment of premium; and
 - 4.4.4 not to cancel it without giving at least 30 days' prior written notice to the Lender;
- but without the Lender having any liability for any premium in relation to those insurance policies unless it has expressly and specifically requested to be made liable in respect of any increase in premium or unpaid premium in respect of any insurance policy.

5. Insurance premiums

- 5.1 The Mortgagor:
- 5.1.1 shall promptly pay all premiums in respect of each Insurance Policy and do all other things necessary to keep such policy in full force and effect; and

- 5.1.2 shall (if the Lender so requires) produce to the Lender the receipts for all premiums and other payments necessary for effecting and keeping up the Insurance Policies (or where, in the case of leasehold property, insurance is effected by the landlord, such evidence of the payment of premiums as the Mortgagor is entitled to obtain from the landlord under the terms of the relevant lease).

6. No invalidation of insurance

- 6.1 The Mortgagor shall not do or omit to do or permit to be done or omitted any thing that may invalidate or otherwise prejudice the Insurance Policies.

7. Insurance Policies' proceeds

- 7.1 All monies payable under any of the Insurance Policies at any time (whether or not the security constituted by this legal mortgage has become enforceable) shall:

- 7.1.1 immediately be paid to the Lender;
- 7.1.2 if they are not paid directly to the Lender by the insurers to be held, pending such payment, by the Mortgagor upon trust for the Lender; and
- 7.1.3 at the option of the Lender, be applied in making good or recouping expenditure in respect of the loss or damage for which such monies are received or in or towards discharge or reduction of the Secured Liabilities.

8. Leases and licences affecting the Property

- 8.1 The Mortgagor shall not, without the prior written consent of the Lender which consent, in the case of paragraph 8.1.4, is not to be unreasonably withheld or delayed in circumstances in which the Mortgagor may not unreasonably withhold or delay its consent:

- 8.1.1 grant, or agree to grant, any licence or tenancy affecting the whole or any part of the Property, or exercise the statutory powers of leasing (or agreeing to grant any such licence or tenancy or agree to exercise the statutory powers of leasing) or of accepting (or agreeing to accept) surrenders under sections 99 or 100 of the LPA; or
- 8.1.2 in any other way dispose of (or agree to dispose of), accept the surrender of (or agree to accept the surrender of), surrender (or agree to surrender) or create any legal or equitable estate or interest in the whole or any part of the Property; or
- 8.1.3 let any person into occupation of or share occupation of the whole or any part of the Property; or
- 8.1.4 grant any consent or licence under any lease or licence affecting the Property.

9. No restrictive obligations

- 9.1 The Mortgagor shall not, without the prior written consent of the Lender, enter into any onerous or restrictive obligations affecting the whole or any part of the Property or create or permit to arise any overriding interest, easement or right whatsoever in or over the whole or any part of the Property.

10. Proprietary rights

- 10.1 The Mortgagor shall procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of the Property, without the prior written consent of the Lender.

11. Compliance with and enforcement of covenants**11.1 The Mortgagor shall:**

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

12. Notices or claims relating to the Property**12.1 The Mortgagor shall:**

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

13. Payment of any rent and outgoings**13.1 The Mortgagor shall:**

- 13.1.1 where the Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time; and
- 13.1.2 pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments and other outgoings relating to or imposed upon the Property or on its occupier.

14. Rent reviews**14.1 The Mortgagor:**

- 14.1.1 shall, if the Property is subject to occupational leases or licences, implement any upwards rent review provisions and shall not, without the prior written consent of the Lender, agree to any change in rent to less than the open market rental value of the relevant part of the Property; and
- 14.1.2 shall not, without the prior written consent of the Lender, if the Property is leasehold, agree to any change in the rent payable under the lease in excess of the open market rental value and shall only agree to any upwards rent review in accordance with the terms of the lease.

15. Environment**15.1 The Mortgagor shall in relation to the Property:**

- 15.1.1 properly discharge all duties of care and responsibility placed upon it by Environmental Law and comply with the terms of any Environmental Licences;

15.1.2 observe and perform all the requirements of Environmental Law; and

15.1.3 apply for and obtain all Environmental Licences.

16. Conduct of business on Property

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

17. Inspection

17.1 The Mortgagor shall permit the Lender and any Receiver and any person appointed by either of them to enter on and inspect the Property on reasonable prior notice.

18. VAT option to tax

18.1 The Mortgagor shall not, without the prior written consent of the Lender:

18.1.1 exercise any VAT option to tax in relation to the Property; or

18.1.2 revoke any VAT option to tax exercised prior to and disclosed to the Lender in writing prior to the date of this legal mortgage.

Schedule 3 - Powers of the Lender

1. Power to remedy

- 1.1 The Lender shall be entitled (but shall not be obliged) to remedy a breach at any time by the Mortgagor of any of its obligations contained in this legal mortgage. The Mortgagor irrevocably authorises the Lender and its agents to do all such things as are necessary or desirable for that purpose. Any monies expended by the Lender in remedying a breach by the Mortgagor of any of its obligations contained in this legal mortgage shall be reimbursed by the Mortgagor to the Lender on a full indemnity basis and shall carry interest in accordance with clause 17.
- 1.2 In remedying any breach, the Lender, its agents and their respective officers, agents and employees shall be entitled to enter onto the Property and to take any action as the Lender may reasonably consider necessary or desirable including, without limitation, carrying out any repairs, other works or development.

2. Exercise of rights

- 2.1 The rights of the Lender under paragraph 1 of this Schedule 3 are without prejudice to any other rights of the Lender under this legal mortgage. The exercise of those rights shall not make the Lender liable to account as a mortgagee in possession.

3. Lender has Receiver's powers

- 3.1 To the extent permitted by law, any right, power or discretion conferred by this legal mortgage (either expressly or impliedly) on a Receiver may, after the security constituted by this legal mortgage has become enforceable, be exercised by the Lender in relation to any of the Charged Property whether or not it has taken possession of any Charged Property and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

4. Conversion of currency

- 4.1 For the purpose of, or pending, the discharge of any of the Secured Liabilities, the Lender may convert any monies received, recovered or realised by the Lender under this legal mortgage (including the proceeds of any previous conversion under this paragraph 4) from their existing currencies of denomination into such other currencies of denomination as the Lender may think fit. Any such conversion shall be effected at the Lender's choice of spot selling rate of exchange for such other currency against the existing currency or such other rate as the Lender may reasonably determine. Each reference in this paragraph 4 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

5. New accounts

- 5.1 If the Lender receives, or is deemed to have received, notice of any subsequent Encumbrance or other interest, affecting all or part of the Charged Property, the Lender may open a new account for the Mortgagor in the Lender's books. Without prejudice to the Lender's right to combine accounts, no money paid to the credit of the Mortgagor in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.
- 5.2 If the Lender does not open a new account immediately on receipt of the notice or deemed notice, then, unless the Lender gives express written notice to the contrary to the Mortgagor, all payments made by the Mortgagor to the Lender shall be treated as having been credited to a new account of the Mortgagor and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt or deemed receipt of the relevant notice by the Lender.

6. Lender's set-off rights

- 6.1 If the Lender has more than one account for the Mortgagor in its books, the Lender may at any time after:
 - 6.1.1 the security constituted by this legal mortgage has become enforceable; or

6.1.2 the Lender has received or is deemed to have received notice of any subsequent Encumbrance or other interest affecting all or any part of the Charged Property,

transfer, without prior notice, all or any part of the balance standing to the credit of any account to any other account which may be in debit (but the Lender shall notify the Mortgagor of the transfer once made).

7. Indulgence

7.1 The Lender may, at its discretion, grant time or other indulgence or make any other arrangement, variation or release with any person that is not party to this legal mortgage (whether or not such person is jointly liable with the Mortgagor) in respect of any of the Secured Liabilities or of any other security for them without prejudice either to this legal mortgage or to the liability of the Mortgagor for the Secured Liabilities.

Schedule 4 - Powers of a Receiver

1. Power to repair and develop the Property

- 1.1 A Receiver may undertake or complete any works of repair, alteration, building or development on the Property and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same.

2. Power to grant or accept surrenders of leases

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

3. Power to employ personnel and advisers

- 3.1 A Receiver may, for the purposes of this Schedule 4, provide services and employ, or engage, such managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on such salaries, for such periods and on such other terms as he thinks fit. A Receiver may discharge any such person or any such person appointed by the Mortgagor.

4. Power to make and revoke VAT options to tax

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

5. Power to charge for remuneration

- 5.1 A Receiver may charge and receive such sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) as the Lender may prescribe or agree with him.

6. Power to realise Charged Property

- 6.1 A Receiver may collect and get in the Charged Property or any part of it in respect of which he is appointed and make such demands and take such proceedings as may seem expedient for that purpose, and take possession of the Charged Property with like rights.

7. Power to manage or reconstruct the Mortgagor's business

- 7.1 A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Mortgagor carried out at the Property.

8. Power to dispose of Charged Property

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

9. Power to sever fixtures and fittings

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

10. Power to give valid receipts

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

11. Power to make settlements

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

12. Power to bring proceedings

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

13. Power to insure

- 13.1 A Receiver may, if he thinks fit, but without prejudice to the indemnity in clause 17, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Mortgagor under this legal mortgage.

14. Form subsidiaries

- 14.1 A Receiver may form a subsidiary of the Mortgagor and transfer to that subsidiary any Charged Property.

15. Powers under LPA

- 15.1 A Receiver may exercise all powers provided for in the LPA in the same way as if he had been duly appointed under that act and exercise all powers provided for an administrative receiver in Schedule 1 of the Insolvency Act 1986.

16. Power to borrow

- 16.1 A Receiver may, for any of the purposes authorised by this Schedule 4, raise money by borrowing from the Lender (or from any other person) on the security of all or any of the Charged Property in respect of which he is appointed on such terms as he thinks fit (including, if the Lender consents, terms under which such security ranks in priority to this legal mortgage).

17. Power to redeem prior Encumbrances

- 17.1 A Receiver may redeem any prior Encumbrance and settle and pass the accounts to which the Encumbrance relates. Any accounts so settled and passed shall be conclusive and binding on the Mortgagor, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

18. Power of absolute owner

- 18.1 A Receiver may do all such acts and things as an absolute owner could do in the ownership and management of the Charged Property or any part of it.

19. Incidental powers

- 19.1 A Receiver may do all such other acts and things as he may consider incidental or conducive to any of the matters or powers in this Schedule 4, or which he lawfully may or can do as agent for the Mortgagor.

EXECUTED as a DEED by

.....
Attorneyas attorney for REWARD FINANCE GROUP
LIMITED in the presence of:

Witness Signature:

Witness Name:

Witness Address:

Witness Occupation:

EXECUTED as a DEED by NARANG
WHOLESALEERS LIMITED acting by*JASBIR NARANG*a director in the presence of: 
DirectorWitness Signature: Witness Name: *SARFRAZ IQBAL*Witness Address: *CLARION SOLICITORS**ELIZABETH HOUSE, 13-19 QUEEN STREET, LEEDS*Witness Occupation: *ASSOCIATE**LSI 2TW*