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CHFP004

COMPANIES FORM NO. 395

Particulars of a mortgage or charge

A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge.

395

Please do not write in this margin

Please complete legibly, preferably in black type, or bold block lettering

*Insert full name of Company

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)

For official use
S

Company number
0326469
3262169 Taken from deed

Name of company
KIRKLANDS ENTERTAINMENTS LIMITED

Date of creation of the charge
9th day of April 2009

Description of the instrument (if any) creating or evidencing the charge (note 2)
Deed of Legal Mortgage (the "Mortgage") made between the Company and Svenska Handelsbanken AB (publ) (the "Bank")

Amount secured by the mortgage or charge

(i) All present and future indebtedness of the Company to the Bank on any current, advance, loan or other account whatsoever;

(ii) all liabilities whatsoever of the Company to the Bank present or future in respect of notes or bills discounted or paid or bills or drafts accepted or endorsed or guarantees, indemnities, bonds, letters of credit, documentary credits or similar instruments issued for or at the request of the Company or other loans, credits or advances made to or for the accommodation or at the request of the Company;

....cont/d on sheet 1 attached

Names and addresses of the mortgagees or persons entitled to the charge
Svenska Handelsbanken AB (publ) 1st Floor 13 Starkie Street Winckley Square Preston PR1 3LU

Postcode	PR1 3LU
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Presentor's name and address and reference (if any): THURNHILL
Our Ref: JAT112833
DX 17135 Preston 1

Time critical reference

For official Use
Mortgage Section

Post room

TUESDAY

A22

A18DD97P

21/04/2009

COMPANIES HOUSE

365

Short particulars of all the property mortgaged or charged

(i) By way of legal mortgage the property referred to in the Schedule to the Mortgage *(being the property or properties short particulars of which are set out at the end of this item (i))* and each and every part thereof and all buildings, erections and structures (whether in the course of construction or otherwise) and fixtures and fittings and fixed plant and machinery at the date of the Mortgage or thereafter thereon and all improvements and additions thereto (herein referred to as the "Mortgaged Property" which expression shall where the context admits or requires include either the whole or any part thereof) and with the benefit of all existing and future leases, underleases, tenancies, agreements for lease, rights, covenants, undertakings, warranties (including, without limitation, collateral warranties), guarantees, indemnities and conditions from time to time affecting the same (subject to the provisions of the Mortgage) but otherwise free from encumbrances.

Short particulars of the property/properties referred to in the Schedule to the Mortgage are as follows:-

10, 10a and 12 King Street Lancaster LA1 1JP

...cont/d on Sheet 2 attached

Particulars as to commission allowance or discount (note 3)

For

Signed

Date

On behalf of [company][mortgagee/chargee]†

Please do not
write in
this margin

Please complete
legibly, preferably
in black type, or
bold block lettering

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(See Note 5)

Notes

†delete as
appropriate

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal Charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 Cheques and postal orders are to be made payable to **Companies House**
- 6 The address of the Registrar of Companies is:-

Companies House, Crown Way, Cardiff CF4 3UZ, DX: 33050 Cardiff

SHEET 1

- (iii) all other liabilities and obligations whatsoever of the Company to the Bank, present or future, actual or contingent, howsoever arising and whether or not initially incurred to the Bank (including, without limitation, liabilities and obligations as surety or guarantor); and
- (iv) all obligations in respect of legal and other costs, charges, fees and expenses (including, without limitation, value added tax) now or in the future owed to or incurred directly or indirectly by the Bank in relation to the security constituted by the Mortgage or any other security held by the Bank in connection with advances or other banking facilities or accommodation offered or made to the Company or in relation to the enforcement or attempted enforcement of any such security or in relation to any judicial, arbitration or other proceedings (by whomsoever and wheresoever commenced) in connection with any such security or its enforcement or attempted enforcement, or arising out of, or in relation to, any action undertaken by or on behalf of the Bank, or by a receiver appointed by the Bank, in respect of or in any way relating to the Mortgage or the Secured Property (as defined below) or arising out of or in any way relating to or in respect of any such indebtednesses or liabilities or obligations on a full and unqualified indemnity basis

(whether any such indebtedness, liability or obligation shall be the sole indebtedness, liability or obligation of the Company or shall be a joint indebtedness, liability or obligation with any other person, firm or company and whether with or without other security and whether any such indebtedness, liability or obligation arises or is incurred or payable in the United Kingdom or elsewhere) together in each of the cases mentioned in (i), (ii), (iii) and (iv) above with all interest, fees, commissions and bank and discount charges due or owing or payable to the Bank from or by the Company, such interest being computed and compounded in each such case according to the usual practice of the Bank and so that interest shall be payable at the same rate as well after as before any judgment.

SHEET 2

- (ii) by way of floating charge all moveable plant, machinery, implements, utensils, furniture and equipment now or from time to time placed on or used in or about the Mortgaged Property (which property shall be included in the expression "the Mortgaged Property");
- (iii) by way of fixed charge all the benefit of and the right to enforce all contracts and agreements (if any) for the sale, purchase, leasing, mortgaging, management or other dealing with the Mortgaged Property and all building contracts and agreements (if any) for professional and other services (including, without limitation, any collateral warranties) and all other contracts and agreements and bonds (if any) now or from time to time entered into for the purpose of carrying out any development of the Mortgaged Property or for the purposes related to any building contracts in relation to the Mortgaged Property (in each case including for the avoidance of doubt the Company's rights against any person giving any guarantee, indemnity or security for the performance of any obligations under any said contract or agreement);
- (iv) by way of fixed charge all rents and licence fees now or hereafter owing to the Company in respect of the Mortgaged Property;
- (v) by way of fixed charge all the Company's right, title and interest in and to all or any moneys from time to time received by it or its agents or solicitors or now or hereafter owing to it (whether such moneys are received or owing by way of deposit or on account of the purchase price or as stakeholders or for its own use and benefit or otherwise) in respect of any sale, letting, mortgage, charge or other dealing with the Mortgaged Property or in respect of any compensation or other payment relating to the Mortgaged Property and its right to make demand for, or to receive, any of the same; and
- (vi) by way of floating charge the property, assets and rights described in paragraphs (i),(iii),(iv) and (v) above (if and in so far as the charges thereon created by the Mortgage shall for any reason be ineffective as fixed charges or if and in so far as the fixed charges thereon created by the Mortgage shall for any reason be released).

The Mortgaged Property and all the other property, assets and rights of the Company charged by or pursuant to any provision of the Mortgage are herein referred to as the "Secured Property" which expression shall where the context admits or requires include either the whole or any part thereof.

NOTES:

- (1) The Company covenants with and undertakes to the Bank in the Mortgage that it will not without the prior consent in writing of the Bank (and then only to the extent that such consent permits and in accordance with any conditions thereof):

...cont/d

- (a) create or attempt to create any mortgage, pledge, charge or other encumbrance on or over the Secured Property or permit any lien or other encumbrance to arise or subsist on or affect the Secured Property and the Company shall not (save as aforesaid) increase or extend any liability of the Company secured on the Secured Property (other than any liability to the Bank);
 - (b) convey, assign, transfer, charge or otherwise dispose of or agree to convey, assign, transfer, charge or otherwise dispose of the Secured Property subject to a fixed charge under the Mortgage or any interest therein or the equity of redemption thereof or exercise or agree to 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 otherwise grant, extend or accept or agree to grant, extend or accept or permit the grant or extension of any lease, tenancy or licence for occupation or other right or interest to occupy or any surrender of any lease, tenancy or licence for occupation of or other right or interest to occupy the Mortgaged Property or otherwise exercise any power of leasing or creating any interest in the Secured Property and not to convey, assign, transfer, charge or otherwise dispose of or alter or vary or agree to convey, assign, transfer, charge or otherwise dispose of or to alter or vary any lease, tenancy or licence for occupation or other right or interest to occupy affecting the Mortgaged Property or grant or agree to grant any sub-lease or sub-tenancy or sub-licence for occupation of the Mortgaged Property; and
 - (c) waive, release, alter or vary or agree to waive, release, alter or vary the terms of any lease of the Mortgaged Property whether such lease be a lease under which the Company holds the Mortgaged Property or be a lease superior thereto or derived out of the interest therein of the Company.
- (2) The Bank may at any time and from time to time by notice in writing to the Company convert any floating charge created by the Mortgage into a fixed charge with reference to any assets specified in such notice and the Company will immediately, at its own cost, execute over such assets a fixed charge in favour of the Bank in such form as the Bank may require. In addition, each floating charge created by the Mortgage shall automatically without notice convert into a fixed charge in respect of any asset (i) which shall without the prior written consent of the Bank become subject to a fixed charge in favour of any person other than the Bank instantly upon such fixed charge coming into effect or (ii) in respect of which any person

...cont/d

shall levy or attempt to levy any distress, execution, sequestration or other process instantly upon such event occurring, and shall automatically without notice convert into a fixed charge in respect of all the assets charged by the Mortgage instantly upon any such event occurring if and when the Company shall cease to carry on business or be a going concern or if and when any meeting of the members of the Company to consider a resolution to wind-up (or not to wind-up) the Company shall be convened or if and when any petition for the making of an administration order in relation to the Company shall be presented. Insofar as any floating security constituted by the Mortgage shall have crystallised, such security as crystallised shall cease to attach as a fixed security to the assets then subject to it (or such of them as shall be specified in such notice) and shall again subsist as a floating security in relation thereto upon the Bank giving notice in writing to the Company to such effect.

- (3) The Company agrees with the Bank in the Mortgage that in the event that the Mortgaged Property shall be any interest of whatsoever description which is less than an absolute legal freehold or leasehold interest, upon such interest becoming an absolute legal freehold or leasehold interest then the security created by the Mortgage shall extend to such interest and such interest shall automatically and without the need for any further assurance be charged to the Bank by way of legal mortgage as a continuing security for the payment or discharge of all the indebtednesses, liabilities and obligations secured by the Mortgage.
- (4) The Company undertakes to the Bank in the Mortgage that it will take no action in respect of such moneys, contracts, agreements and bonds as are referred to in (iii), (iv) and (v) above save with the prior consent in writing of the Bank other than to get in and realise such moneys (but this shall not permit the selling, assigning, factoring or discounting or the like of any of the same).
- (5) The Company covenants with and undertakes to the Bank in the Mortgage that it will not suffer any person (other than the Company) to be registered as proprietor under the Land Registration Acts for the time being in force of the Mortgaged Property not already registered.



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY NO. 3262169
CHARGE NO. 5

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES
HEREBY CERTIFIES THAT A LEGAL MORTGAGE DATED 9
APRIL 2009 AND CREATED BY KIRKLANDS ENTERTAINMENTS
LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME
DUE FROM THE COMPANY TO SVENSKA HANDELSBANKEN
AB (PUBL) ON ANY ACCOUNT WHATSOEVER UNDER THE
TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING
OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT
TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE
21 APRIL 2009

GIVEN AT COMPANIES HOUSE, CARDIFF THE 23 APRIL 2009

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Companies House
— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES