

MR01

Particulars of a charge

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Laserform

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. If 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. **Do not send the original.**

SATURDAY



1 Company details

Company number 0 7 4 7 2 3 0 1

Company name in full THE DUNHILL MEDICAL TRUST

2 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 d1 d0 m1 m2 y2 y0 y1 y4

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 FONTWELL ESTATES LIMITED

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

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4

Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument

Brief description

✓

Land at Arundel Road, Fontwell, West Sussex being registered under title numbers WSX153158, WSX153159, WSX153160 and WSX178314

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"

Please limit the description to the available space

5

Other charge or fixed security

Does the instrument include a charge (which is not a floating 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 company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box

/

☒ Yes

☐ No

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 *Wedlake Bell LLP*

X

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

MR01

Particulars of a charge



Presenter information

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Company name

Wedlake Bell LLP

Address 52 Bedford Row

Post town London

County/Region

Postcode

W

C

1

R

4

L

R

Country United Kingdom

DX DX 166 London/Chancery Lane

Telephone 020 7395 3000



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: 7472301

Charge code: 0747 2301 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 10th December 2014 and created by THE DUNHILL MEDICAL TRUST was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 20th December 2014.

DX

Given at Companies House, Cardiff on 31st December 2014



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATED

10th December

2014

THE DUNHILL MEDICAL TRUST
(as Mortgagor)

- and -

FONTWELL ESTATES LIMITED
(as Mortgagee)

LEGAL MORTGAGE

Wedlake Bell

52 Bedford Row
London
WC1R 4LR

Tel 020 7395 3000
Fax. 020 7395 3100

Ref: RHR/DAN/64/21/WB1-7523082-3

We certify that, save for material redacted pursuant to Section 859G of the Companies Act 2006, this copy instrument is a correct copy of the original document
Signed: Wedlake Bell LLP
Dated: 18 December 2014

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THIS LEGAL MORTGAGE is made on the 10th day of December 2014

BETWEEN:-

1. **THE DUNHILL MEDICAL TRUST**, a company limited by guarantee incorporated under the laws of England and Wales, (company registration number 07472301) whose registered office is at 5th Floor 6 New Bridge Street London EC4V 6AB (the "**Mortgagor**"), and
2. **FONTWELL ESTATES LIMITED** a company incorporated under the laws of the Isle of Man, (company registration number 1285374C) whose registered office is at Dandara Group Head Office, Isle of Man Business Park, Cool Road, Braddan, Isle of Man IM2 2SA (the "**Mortgagee**")

WHEREAS:-

- (A) The Mortgagee and the Mortgagor have entered into an option agreement dated on or about the date of this Deed (the "**Option Agreement**" which shall include all documents supplemental to or varying the same) pursuant to which the Mortgagee has been appointed to promote the Property (as defined below) to achieve a Qualifying Planning Permission for the Proposed Development (each term as defined in the Option Agreement) of the Property
- (B) It is a requirement of the Option Agreement that the Mortgagor enters into this Deed by way of security for its liabilities and obligations to the Mortgagee under the Option Agreement
- (C) It is intended that this Deed takes effect as a deed notwithstanding the fact that a party may only execute this Deed under hand.

NOW THIS DEED WITNESSES:-

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Terms defined in the Option Agreement shall, unless the context otherwise requires, have the same meanings when used in this Deed (including the Recitals) In addition, the following expressions have the following meanings -

"Act" means the Law of Property Act 1925.

"Administrator" means an administrator appointed pursuant to Schedule B1 to the Insolvency Act 1986.

"Enforcement Event" means an event specified in Clause 29 1 of the Option Agreement

"Environmental Claim" means, with respect to any person, any written notice, claim, demand or similar communication by any other person alleging potential liability for investigatory costs, clean-up costs, governmental response costs, natural resources damages, property damages, personal injuries, fines or penalties arising out of, based on or resulting from -

- (a) the presence, or release into the environment, of any Hazardous Material at any location, whether in navigable or ground water or on or under land and whether or not owned by such person, or
- (b) circumstances forming the basis of any violation, or alleged violation, of any Environmental Law or Environmental Consent.

"Environmental Consent" means any consent, permit, licence, approval, ruling, exemption or other authorisation necessary or advisable under applicable Environmental Laws

"Environmental Laws" means any law (which includes an order or decree, any form of delegated legislation, a treaty and a directive or regulation made by virtue of powers conferred by a treaty), code of practice, circular, guidance notice or the like (whether in the United Kingdom or elsewhere) regulating, relating to or imposing liability or standards of conduct concerning (a) environmental protection matters, including without limitation, in relation to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, (b) the development, use, occupation or exploitation of land or property, or (c) health and safety at work or elsewhere, as now or may at any time hereafter be in effect

"Environmental Losses" means all losses, damages, liabilities, claims, costs and expenses of whatever kind or nature (including, without limitation, fines, penalties, judgments and awards, financial responsibility for clean-up activities and obligations, statutory or other official contributions, legal fees, technical consultancy, engineers' and experts' fees and costs and expenses) of obtaining or retaining consents or licences or otherwise complying with Environmental Laws.

"Hazardous Materials" means and includes chemicals, pollutants, contaminants, wastes, petroleum, petroleum products, distillates, dangerous, hazardous or toxic substances and materials (whether in solid or liquid form or in the form of a gas or vapour and whether alone or in combination with any other substance) and all hazardous substances defined or regulated as such under any Environmental Law, including in particular, but without limitation, the substances prescribed in Schedules 4, 5 and 6 of the Environmental Protection (Prescribed Processes and Substances) Regulations 1991

"Insurances" means all contracts and policies of insurance taken out by or on behalf of the Mortgagor or (to the extent of its interest) in which the Mortgagor has an interest in relation to the Property

"Leases" means all the occupational leases, underleases, licences, tenancy agreements, farm business tenancies, agreements for lease or other agreements for the letting of the Property or any part thereof from time to time subsisting and **"Lease"** shall be construed accordingly

"Permitted Leases" means any Lease created in accordance with the terms of the Option Agreement

"Permitted Security Interest" means

- 1 a lien arising by operation of law and in the ordinary course of trading securing obligations not more than 30 days overdue;

2. any Security Interest arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to the Mortgagor in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by the Mortgagor; and
- 3 any Security Interest created by or in accordance with the terms of the Option Agreement

"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, the Planning and Compulsory Purchase Act 2004 and the Planning Act 2008 and all regulations and orders made or confirmed under any of them

"Property" means the freehold property details of which are set out in Schedule 1 hereto (as the same may from time to time be supplemented and/or amended) together with all buildings fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery from time to time thereon belonging to the Mortgagor

"Receiver" includes any person or persons appointed by the Mortgagee (and any additional person or persons appointed or substituted) as receiver, manager, or receiver and manager of all or any part of the Security Assets.

"Secured Liabilities" means all present and future obligations and liabilities whether actual or contingent and whether owed jointly or severally and whether as principal or surety or in any other capacity whatsoever of the Mortgagor to the Mortgagee under the Transaction Documents except for any obligation which, if it were so included, would result in this Deed contravening Sections 677 to 683 of the Companies Act 2006 or any similar law of any applicable jurisdiction and all interest, commission, fees and all legal and other charges and expenses which the Mortgagee may charge the Mortgagor or incur in relation to it or either of the Transaction Documents or the Security Assets on a full indemnity basis and also interest on the foregoing to the date of payment at the rate specified in Clause 14.1

"Security Assets" means all the assets of the Mortgagor the subject of any security created by this Deed and references to the Security Assets include references to any part of them

"Security Interest" means a mortgage, charge, pledge, lien, hypothecation, right of set-off, assignment by way of security, title retention or other security interest securing any obligation of any person or any other agreement or arrangement having the same effect

"Security Period" means the period commencing on the date of this Deed and ending on the date upon which the Mortgagee certifies in writing that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full

"Tax" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"Transaction Documents" means the Option Agreement and this Deed as may be varied or supplemented to from time to time

"Unenforceable" means void, voidable, invalid, unenforceable or otherwise irrecoverable (whether or not known to the Mortgagee or the Mortgagor) and **"Unenforceability"** will be construed accordingly.

"VAT" means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature

1.2 Interpretation

In this Deed:-

- 1.2 1 Clause headings are inserted for convenience only and shall not affect the construction of this Deed and unless otherwise specified, all references to Clauses and to Schedules are to clauses of and schedules to this Deed,
- 1.2 2 unless the context otherwise requires, words denoting the singular number shall include the plural and vice versa,
- 1 2 3 references to a person include references to bodies corporate and unincorporate and include its successors and permitted transferees and assigns whether direct or indirect,
- 1.2 4 references to assets include property, rights and assets of every description both present and future,
- 1 2 5 references to the each of the "Mortgagor" and the "Mortgagee" shall be construed so as to include their respective successors in title, permitted assigns and permitted transferees,
- 1 2 6 references to a Transaction Document or any other agreement or instrument shall be construed as a reference to that Transaction Document or other agreement or instrument as amended, novated, supplemented, extended or restated from time to time,
- 1 2 7 references to any statute or other legislative provision shall include any statutory or legislative modification or re-enactment thereof, or any substitution therefor,
- 1 2 8 references to a "mortgage" includes a transfer or assignment by way of mortgage, and
- 1 2.9 the terms of the Option Agreement and of any side letters between any parties in relation to any Transaction Documents are incorporated into this Deed to the extent required to ensure that any purported disposition of the Security Assets contained in this Deed is a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989

1 3 Option Agreement to prevail

In the event of a conflict between the terms of the Option Agreement and the terms of this Deed, the terms of the Option Agreement shall prevail

2. COVENANT TO PAY

The Mortgagor covenants with the Mortgagee to pay and discharge the Secured Liabilities in the manner provided for in the Transaction Documents

3. SECURITY

The Mortgagor, with full title guarantee and to the intent that the security hereby created shall rank as a continuing security for the payment and discharge of the Secured Liabilities

3.1 Mortgage

charges in favour of the Mortgagee by way of a legal mortgage, all its estate and interest in the Property;

3.2 Fixed Charge

charges in favour of the Mortgagee by way of a fixed charge

3.2.1 (to the extent that it is not the subject of an effective mortgage under Clause 3.1 above) the Property,

3.2.2 all deeds, documents, contracts and agreements from time to time relating to the Property, the benefit of any covenants for title given or entered into by any predecessor in title to the Mortgagor to the Property, all proceeds in relation to the disposal of the Property, the benefit of any other disposal of the Property, and rights against lessees or other occupiers and/or their sureties and all future options to renew all leases or purchase all reversions (whether or not freehold) from time to time in relation to the Property,

3.2.3 the benefit of all licences, consents and authorisations (statutory or otherwise) held in connection with its business carried on at or from the Property and/or the use of any Security Assets specified in any other sub-clause of this Clause and the right to recover and receive compensation which may be payable to it in respect of them,

3.3 Assignment

assigns absolutely in favour of the Mortgagee by way of first-ranking security -

3.3.1 (to the extent that the same may lawfully be assigned) all and any rights (whether in contract, tort or otherwise) which the Mortgagor has or may hereafter have against any third party (including without prejudice to the generality of the foregoing any professional advisers) arising from or in relation to any building, construction, alteration, refurbishment or other works to the Property or any part thereof or any defect therein,

3.3.2 the benefit of all guarantees, sureties and other covenants and liabilities on the part of third parties in favour of the Mortgagor and the Mortgagor's predecessors in title so far as it has title to assign the same (and each of them) under any

lease or tenancy of the Property and any part or parts thereof granted as well before as after the date hereof and all rights arising thereunder,

3 3 3 all and any rights and interests in and benefit in respect of the Insurances and all claims and returns of premiums in respect of them, and

3 3 4 the benefit of all other contracts, agreements, rights, securities, covenants, guarantees, bonds and indemnities of any nature now and at any time enjoyed or held by the Mortgagor in relation to the Property

4. APPLICATION TO LAND REGISTRY

In the case of any part of the Security Assets consisting of land for the time being registered at the Land Registry the Mortgagor and the Mortgagee hereby jointly apply to the Chief Land Registrar to enter a restriction in the Proprietorship Register of the relevant title in the following terms -

"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 the certificate signed by the Mortgagee or its conveyancer that the provisions of Clause 18.1 and 18.4 of an Option Agreement dated 12.2.2014 and made between the Mortgagor (1) Anthony Richard Saunders (2) the Mortgagee (3) have been complied with or that they do not apply to the disposition"

5. REPRESENTATIONS AND WARRANTIES

The Mortgagor makes the representations and warranties set out in this Clause 5 to the Mortgagee

5.1 General

5.1.1 it is a company limited by guarantee, duly incorporated and validly existing under the laws of England and Wales,

5.1.2 it has the power to own its assets and carry on its business, as it is being conducted,

5.1.3 it has the power to enter into, perform and deliver, and has taken all necessary action to authorise the entry into, performance and delivery of each of the Transaction Documents and the transactions contemplated by each of the Transaction Documents,

5.1.4 each of the Transaction Documents constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms,

5.1.5 the entry into and performance by it of, and the transactions contemplated by, each of the Transaction Documents do not and will not -

5.1.5.1 conflict with any law (including but not limited to the Charities Act) or regulation or judicial or official order having jurisdiction over it or any of its assets; or

5.1.5.2 conflict with its memorandum or articles of association; or

- 5 1 5 3 conflict with any document which is binding upon it or any of its assets,
- 5 1 6 the entry into and the performance by it of each of the Transaction Documents (and the transactions contemplated by the same)
- 5 1 6 1 promote the objects of the Mortgagor as set out in its articles of association, and
- 5 1 6 2 comply with any restrictions on the Mortgagor which are imposed by the Charities Act
- 5 1 7 subject to due registration of this Deed at the Land Registry and pursuant to Section 859A of the Companies Act 2006, all authorisations, approvals, consents, licences, exemptions, registrations, recordings, filings and notarisations necessary or desirable to ensure the validity, legality, enforceability or priority of the Mortgagor's liabilities and obligations, or the rights of the Mortgagee, under the Transaction Documents have been obtained or effected and are in full force and effect;
- 5.2 The Security Assets**
- 5.2 1 The Mortgagor is the sole legal and beneficial owner of the Property and the other Security Assets
- 5.2.2 The Security Assets are free from any Security Interest other than Permitted Security Interests
- 5 2 3 The only Leases to which the Property is subject are Permitted Leases.
- 5.2.4 There is no breach of any law or regulation which materially adversely affects or might affect the Security Assets or the value of the Security Assets
- 5 2 5 There are no covenants, agreements, stipulations, reservations, conditions, interests, rights or other matters whatsoever which adversely affect the Security Assets
- 5 2 6 The Mortgagor has not received or acknowledged notice of any adverse claim by any person in respect of the Security Assets or any interest whatsoever in any Security Assets
- 5 2 7 Nothing has arisen or has been created or is subsisting which would be an overriding interest over the Property
- 5 2 8 No facility necessary for the enjoyment and use of the Security Assets is enjoyed on terms entitling any person to terminate or curtail its use
- 5 2 9 All the Security Assets of a repairable nature are in good and substantial repair.
- 5 3 Environmental Matters**
- 5 3 1 The Mortgagor is in compliance with all Environmental Laws which are currently applicable to the Property and all Environmental Consents required in respect of

the Property have been obtained from the appropriate authorities and are in full force and effect and all records, reports, returns, registrations and information necessary for compliance with any Environmental Consents have been made or given

5.3.2 No circumstances exist which could confer a right of revocation, suspension, modification or setting aside of any Environmental Consent or could prevent any Environmental Consent from being renewed or extended or could result in the terms of any Environmental Consent being modified in any manner which would have a material adverse effect on the value or marketability of any part of the Property or the ability of the Mortgagor to perform its obligations under either of the Transaction Documents

5.3.3 No litigation, arbitration or administrative proceeding is current, pending or threatened in relation to any part of the Property under any Environmental Laws to which the Mortgagor is or will be named as a party.

5.3.4 There are no material compliance or enforcement orders currently outstanding in respect of any part of the Property and arising under any Environmental Laws

5.3.5 There is no Environmental Claim pending or threatened in respect of any part of the Property and there are no past or present actions, activities, circumstances, conditions, events or incidents, including without limitation the release, omission, discharge or disposal of any Hazardous Materials, which could reasonably be expected to form the basis of any Environmental Claim in respect of any part of the Property.

5.4 **Security**

This Deed creates those Security Interests it purports to create and is not liable to be avoided or otherwise set aside on the termination, liquidation or administration of the Mortgagor or otherwise

5.5 **Times for making representations and warranties**

The representations and warranties set out in Clause 5 (*Representations and Warranties*) are made on the date of this Deed and are deemed to be repeated by the Mortgagor on each date during the Security Period with reference to the facts and circumstances then existing

6. **MORTGAGOR'S COVENANTS**

The covenants set out in this Clause 6 remain in force throughout the Security Period in favour of the Mortgagee and any Receiver appointed by the Mortgagee

6.1 **Performance**

The Mortgagor shall observe and perform all the terms and conditions (express or implied) of this Deed and the Option Agreement relating to the Secured Liabilities and the Security Assets and all other material conditions and obligations relating to any Security Asset. Neither the Mortgagee nor any Receiver shall be required in any manner to perform or fulfil any obligations of the Mortgagor in respect of any Security Asset, or to make any payment, or to make any enquiry as to the nature or sufficiency of any payment received by it,

or to present or file any claim or take any other action to collect or enforce any of the Security Assets.

6.2 Use Repair And Alteration of Property

6.2.1 The Mortgagor shall not use the Property for any purpose other than as permitted by the Option Agreement

6.3 Insurance

6.3.1 The Mortgagor shall insure and keep insured or cause to be insured and kept insured the Security Assets under a property owner's liability policy and such other risks as shall be reasonably required by the Mortgagee to the full amount of their replacement value (being a sum not less than that approved by the Mortgagee from time to time) with a reputable insurer and shall provide a copy of such policies to the Mortgagee and procure that the Mortgagee's interest is noted thereon

6.3.1.1 duly pay or cause to be paid on the due date the premiums and other sums of money payable in respect of any policy or policies effected under this Clause 6.3 and immediately after such payment shall produce to the Mortgagee the receipt for the same;

6.3.1.2 procure that all such policies are in a form acceptable to the Mortgagee and contain (without limitation):-

- (a) a clause to the effect that the insurers have agreed to waive all rights of subrogation against the Mortgagee,
- (b) a provision that no such insurance shall be vitiated or avoided as against the Mortgagee in the event or as a result of any misrepresentation, action or inaction, non-disclosure, fraud or breach of warranty on the part of the Mortgagor,
- (c) terms to the effect that such insurance shall not be invalidated so far as the Mortgagee is concerned for failure to pay any premium when due or for any other reason without the insurers first giving not less than fourteen days' written notice to the Mortgagee, and

6.3.1.3 not (without the prior written consent of the Mortgagee) alter the terms of such insurance

6.4 Mortgagor's Failure

If default shall be made by the Mortgagor in keeping the Property in the required condition or insured in accordance with Clauses 6.2 and 6.3 or there is a breach of any other covenants on the part of the Mortgagor herein contained it shall be lawful for (but not obligatory upon) the Mortgagee to maintain or insure and keep maintained or insured and in the required condition all or any part of the Security Assets in accordance with the requirements of Clauses 6.2 and 6.3 or to perform such other covenants and for such purposes to enter upon the Property (without thereby becoming liable as mortgagee in possession) and any monies expended for that purpose shall be paid to the Mortgagee on the Mortgagee's first written

demand together with interest thereon calculated at the rate specified in Clause 14.1 from the date the Mortgagee incurs the relevant cost until the date of actual payment (whether before or after judgment) and shall be deemed to be an expense properly incurred in relation to the security constituted by this Deed

6.5 Statutory And Other Requirements

6.5.1 The Mortgagor shall comply or procure compliance with all statutes and all orders, rules, regulations, bye-laws and other instruments affecting the Security Assets or their use or the conduct of the Mortgagor's business and shall produce to the Mortgagee within seven (7) days of receipt by the Mortgagor any order, direction, permission, notice or other matter whatsoever affecting or likely to affect the Security Assets (or any part of them) and served upon the Mortgagor by any authority or third party and shall supply copies to the Mortgagee upon request

6.5.2 The Mortgagor covenants to register the charges contained in this Deed against the registered title of any registered land or charge hereby affected.

6.5.3 The Mortgagor shall observe and perform all its obligations under any laws, regulations, covenants and stipulations from time to time affecting any Security Assets or otherwise relating to its business.

6.5.4 The Mortgagor will maintain its centre of main interests in England and Wales for the purposes of the EC Regulation on Insolvency Proceedings 2000.

6.6 Lease and title obligations

The Mortgagor shall

6.6.1 comply with and perform all the terms on its part contained in any Lease comprised within the Property and provide the Mortgagee with copies of any notices served upon it, and

6.6.2 punctually enforce all tenant's obligations under any Lease over any of the Property.

6.7 Planning

6.7.1 The Mortgagor shall not, without the prior written consent of the Mortgagee, (such consent not to be unreasonably withheld) make nor permit to be made any application for planning permission in respect of any development of the Property or any part thereof within the meaning of the Planning Acts

6.7.2 The Mortgagor shall not undertake or carry out any development of the Property or any part thereof, nor suffer or knowingly permit the same to be undertaken or carried out without the prior written consent of the Mortgagee (such consent not to be unreasonably withheld) or delayed and the necessary planning permission prescribed in the Planning Acts having been first obtained and approved by the Mortgagee

6.7.3 In the event of such planning permission being obtained with the prior written consent of the Mortgagee as set out in Clause 6.7.1 and/or implementation of the planning permission being permitted by the Mortgagee in writing, the

Mortgagor shall, when carrying out any such development, observe and perform strictly all conditions (if any) subject to which such permission is granted

6 7 4 Within ten Working Days of the receipt of any requirement, order, notice or direction of any competent authority pursuant to the Planning Acts, the Mortgagor shall supply full particulars thereof to the Mortgagee who shall be entitled to decide whether such requirement, notice, order or direction shall.

6 7.4 1 be complied with, in which case the Mortgagor will at the direction of the Mortgagee take such steps as the competent authority shall require, or

6 7 4 2 be resisted, in which case the Mortgagor will at the direction of the Mortgagee take such steps (including by way of appeal if required) as the Mortgagee may direct in order to obtain the variation or rescission of such requirement, notice, order or direction.

6.7.5 The Mortgagor shall not, without the prior written consent of or at the written request of the Mortgagee in relation to a use envisaged by the Promotion Agreement, use or permit or cause the Property to be used other than as at the date hereof

6 7 6 Any costs incurred or monies expended by the Mortgagee (including surveyors' and/or architects' fees and legal costs) in connection with the matters referred to in this Clause 6 7 shall be paid to the Mortgagee on the Mortgagee's first written demand and shall be deemed to be an expense properly incurred in relation to the security constituted by this Deed.

6 8 Environment

6 8 1 The Mortgagor shall comply with all Environmental Laws applicable to the operations of the Mortgagor relevant to the Property and obtain from the appropriate authorities all Environmental Consents required with respect thereto and promptly provide to the Mortgagee upon receipt copies of the same

6 8 2 If:-

6 8.2 1 the Mortgagor receives any notice or similar communication relating to any part of the Property alleging that it is not in compliance with any applicable Environmental Law, or

6 8 2 2 the Mortgagor becomes aware that there exists any Environmental Claim pending or threatened against it relating to any part of the Property, or

6 8 2.3 the Mortgagor becomes aware of the occurrence of any (or any threatened) release, emission, discharge or disposal of any substance which could reasonably be expected to form the basis of any Environmental Claim against the Mortgagor relating to any part of the Property,

and, in any case of any of the foregoing, there is a reasonable likelihood that the same could materially and adversely affect the value or marketability of any part of the Property or the ability of the Mortgagor to perform its obligations (save for

the obligations under this Clause 6 9) under either Transaction Document or result in liability to the Mortgagee then -

- (a) promptly upon the occurrence of any of the foregoing the Mortgagor will provide to the Mortgagee a certificate of an officer of the Mortgagor specifying in detail the nature of such event and the actions which the Mortgagor intends to take in response thereto, and
- (b) upon the written request of the Mortgagee, the Mortgagor will submit to the Mortgagee at reasonable intervals a report providing any update of the situation resulting from such event,

6 8 3 the Mortgagor will (at its own cost) permit to be carried out any environmental audit or site investigation required by law or if required by the Mortgagee where the Mortgagee believes that -

6 8 3 1 a breach of any Environmental Law has or is likely to occur, or

6.8 3 2 there is a reasonable likelihood that the value or marketability of any part of the Property may be materially and adversely affected by any matter or thing on, under or adjacent to the Property (whether or not that matter or thing constitutes an immediate breach of any Environmental Law)

6.8 4 The Mortgagor further covenants that it shall indemnify the Mortgagee and any Receiver or Administrator appointed under this Deed and their respective employees, agents, directors and officers (each an "Indemnified Party") against any Environmental Losses including (without limitation) -

6.8 4 1 any arising out of or in connection with any actual or alleged breach of any Environmental Law or Environmental Consents in relation to the Property; and

6.8 4 2 any responsibility on the part of any Indemnified Party in respect of any clean-up, repair or other remedial action relating to the matters referred to in sub-clause 6 9 4 1.

6 9 **Negative Pledge**

The Mortgagor further covenants with the Mortgagee that throughout the Security Period -

6 9.1 it shall not create, incur or permit to exist any Security Interest in, over or affecting any of the Security Assets (other than a Permitted Security Interest),

6 9 2 except with the prior written consent of the Mortgagee or as otherwise permitted pursuant to the Option Agreement , sell, assign, lend, transfer or otherwise dispose of the whole or any part of the Security Assets or any interest therein (whether by one transaction or a series of transactions and whether related or not), or

6 9 3 save as permitted pursuant to the Option Agreement grant to, or allow to be acquired by, any third party any right, licence or interest whatsoever in or over

the Security Assets, nor exercise any of the powers of leasing or of agreeing to lease or of accepting surrenders conferred on mortgagors by the Act or release or vary or agree to release or vary any terms of, nor grant any licences or consents (including for the avoidance of doubt licences or consents for the assignment or subletting of the whole or any part of the Property) under, any Leases for the time being affecting the Property, nor without such consent as aforesaid exercise any power to determine or forfeit the same or extend the same

7. PRESERVATION OF SECURITY

7.1 Continuing Security

The Mortgagor declares and agrees that.-

7.1.1 the security created by and covenants and provisions contained in this Deed shall be held by the Mortgagee as a continuing security and shall not be satisfied by any intermediate payment or satisfaction of any part of the Secured Liabilities and shall remain in full force and effect until the Secured Liabilities hereby secured have been unconditionally and irrevocably paid and discharged in full to the satisfaction of the Mortgagee,

7.1.2 the Mortgagee shall not be bound to enforce any guarantee or other security or proceed or take any other steps against any other person before enforcing this Deed, and

7.1.3 this Deed shall be in addition to, and not in substitution for, any other rights which the Mortgagee may now or hereafter have under or by virtue of any guarantee or other security or agreement or any lien or by operation of law or under any collateral or other security now or hereafter held by the Mortgagee or to which the Mortgagee may be entitled

7.2 Avoidance of Payments

7.2.1 Any settlement, discharge or release under this Deed between the Mortgagee and the Mortgagor shall be conditional upon no security or payment to the Mortgagee by the Mortgagor or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any provision or enactment relating to bankruptcy, insolvency, administration or liquidation for the time being in force, and if such condition is not satisfied, the Mortgagee shall be entitled to recover from the Mortgagor on demand the value of such security or the amount of any such payment as if such settlement, discharge or release had not occurred

7.2.2 The Mortgagee shall be at liberty at its absolute discretion to retain the security created by this Deed as security for the Secured Liabilities for a period of one month plus such statutory period within which any security or payment given or made pursuant to this Deed may be avoided or invalidated after the Secured Liabilities shall have been paid in full, notwithstanding any release, settlement, discharge or arrangement given or made with the Mortgagee on or as a consequence of such termination of liability. If at any time within such period after such termination a petition shall be presented to a competent court for an order for the bankruptcy, insolvency, winding up or similar process of the Mortgagor or the appointment of an administrator in respect of the Mortgagor or the Mortgagor shall commence to be wound up voluntarily, the Mortgagee shall be at liberty and notwithstanding as before mentioned to continue to retain such security or any part thereof for and during such further period as the Mortgagee in its absolute discretion shall determine. The Mortgagor agrees that such security shall be deemed to have been and to have remained held by the Mortgagee as and by way of security for the payment to the Mortgagee of all or any sums which may become due and owing to the Mortgagee in respect of the Secured Liabilities.

8. ENFORCEMENT

8.1 Enforceability of Security

Upon the occurrence of an Enforcement Event, the security constituted by this Deed shall become immediately enforceable and the power of sale and other powers conferred on mortgagees by the Act as varied or amended by this Deed shall be immediately exercisable upon and at any time thereafter. After the security constituted by this Deed has become enforceable, the Mortgagee may in its discretion enforce all or any part of such security in such manner as the Mortgagee sees fit.

8.2 Exclusion of Certain Provisions of the Act

For the purposes of all powers implied by statute the Secured Liabilities shall be deemed to have become due and payable on the date hereof and Section 103 of the Act (restricting the power of sale) and Section 93 of the Act (restricting the right of consolidation) shall not apply to this Deed. The statutory powers of leasing conferred on the Mortgagee shall be extended so as to authorise the Mortgagee to lease, make agreements for leases, accept surrenders of leases and grant options as the Mortgagee shall think fit and without the need to comply with any of the provisions of Sections 99 and 100 of the Act.

8.3 Redemption of Prior Charges

At any time after the security constituted by this Deed shall have become enforceable, the Mortgagee may redeem any prior Security Interest against all or any of the Security Assets or procure the transfer thereof to itself and may settle or pass the accounts of any holder of such Security Interest and any accounts so settled and passed shall be conclusive and binding on the Mortgagor. All principal monies, interest, costs, charges and expenses of and incidental to the redemption and transfer shall be Secured Liabilities.

8.4 Appointment of Receiver or Administrator

At the request of the Mortgagee or at any time after the security constituted by this Deed becomes enforceable the Mortgagee may:-

- 8 4 1 without further notice appoint by writing one or more persons to be a Receiver of the Security Assets or any part thereof, or
- 8 4 2 apply to a court of competent jurisdiction to appoint any person or persons to be an Administrator of the Mortgage,

in each case, upon such terms as to remuneration and otherwise as it shall think fit and shall agree with such Receiver or Administrator and may from time to time remove any Receiver or Administrator so appointed and appoint another in his stead. A Receiver or Administrator so appointed shall give notice of his appointment (inter alia) to the Mortgagor and shall be deemed to act as the agent of the Mortgagor in the exercise of the powers granted hereunder or by statute or otherwise and the Mortgagor shall be responsible for such Receiver's or Administrator's acts and defaults and for his remuneration, costs, charges and expenses to the exclusion of liability on the part of the Mortgagee.

8 5 Joint Receivers

Where more than one person is appointed as a Receiver the powers of such persons may be exercised either jointly or individually by any one of such persons

8 6 Receiver's Powers

A Receiver appointed in accordance with Clause 8 4 hereof (and the Mortgagee if it goes into possession as mortgagee) shall have all the powers conferred on a Receiver by the Act and all such powers as are set out in Schedule 1 to the Insolvency Act 1986 notwithstanding that such Receiver may not be an administrative receiver and in addition shall have power to:-

- 8 6 1 take possession of and get in all or any of the Security Assets and for this purpose to make demands and take proceedings as he may think fit in respect thereof in such manner as he thinks fit,
- 8 6 2 carry on or concur in carrying on such of the business of the Mortgagor (and for this purpose to borrow money on the security of any Security Asset in priority to this charge or otherwise as he may consider expedient and carrying interest at such rate as he may consider necessary) and manage, conduct, amalgamate, develop and reconstruct the same (and concur in so doing) in such manner and to such extent as he may think fit,
- 8 6 3 make and effect all repairs and maintain, renew, increase or surrender insurances and do all such other acts and things which the Mortgagor might do in the ordinary course of its or their business for the protection and/or for the improvement of any Security Assets,
- 8 6 4 sell by public auction or private contract, grant licences or options or otherwise assign any of the Security Assets in such manner and on such terms as he shall think proper, lease and accept surrenders of leases of any of the Property and with respect thereto make provision for and effect rent reviews (or concur in so

doing), any such sale, lease, licence, option, surrender or assignment may be for cash, loan capital, debentures, shares, stock, securities or other consideration and be payable immediately or by instalments deferred and spread over such period as he shall think fit and may be on terms whereby the total amount of the consideration is to be ascertained by reference to the turnover or profits of the purchaser,

- 8 6 5 without any further consent by or notice to, as the case may be, the Mortgagor, exercise on its or their behalf all the powers and provisions conferred on a landlord or a tenant pursuant to any legislation from time to time in force relating to rents in respect of any part of the Property but without any obligation to exercise any of such powers and without any liability in respect of powers so exercised or omitted to be exercised,
- 8 6 6 purchase any additional land adjacent to or in the vicinity of the Property for the purpose of enhancing the value of such property or facilitating the disposal thereof and for such purposes borrow further monies from the Mortgagee on such terms as the Receiver may think fit,
- 8 6 7 make allowances to and re-arrangements with any lessees, tenants of the Property or other persons from whom any rents and profits may be receivable and to negotiate and agree or refer to arbitration any revision of rent under any Leases in respect of which the rental may fall to be reviewed and to accept service of or serve any notice received or required or deemed desirable in connection with any such review or with the exercise of any options,
- 8 6.8 do any repairs and make any structural or other alterations, improvements or additions in or to the Property and purchase or otherwise acquire any materials, articles or things and do anything else in connection therewith which the Receiver may think desirable for the purpose of making productive or increasing the letting or market value thereof,
- 8 6 9 institute, arrange, carry on and conduct services of lighting, heating and cleansing and all other services which may be deemed proper for the efficient use or management of the Property,
- 8 6 10 reconstruct, alter, improve, decorate, furnish and maintain the whole or any part of the buildings on the Property,
- 8 6 11 sell all or any of the fixtures (other than tenants' trade fixtures) either as a part of and/or together with or separately and detached from the Property;
- 8 6 12 perform, treat as repudiated, rescind or vary any contract or agreement for or which relates in any way to any development, improvement, reconstruction or repair of the Property or any part thereof or which is in any other way connected therewith,
- 8 6 13 without prejudice to the generality of any of the foregoing powers carry out, continue and/or perform any development of any part of the Property and to enter into a building contract or appointment or any other contract or agreement for or relating to any development for any such purposes as aforesaid to purchase such materials and other articles and things as he may think fit to discontinue such development or any part thereof and to repudiate and rescind any building contract or any such contract or agreement as aforesaid,

- 8 6 14 in connection with any development obtain planning permissions, bye law consents and any other permissions and/or approvals, enter into agreements under the Highways Acts and any other agreements requisite for the development, to enter into and arrange bonds and in particular road bonds and indemnities in connection therewith and to dedicate any part of the Property as a public highway or grant any other rights over under or relating to the Property;
- 8 6 15 promote the formation of companies with a view to the same purchasing, leasing, licensing, managing or otherwise acquiring interests in all or any of the Property 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 Property on such terms and conditions whether or not including payment by instalments secured or unsecured as he may think fit,
- 8 6 16 make calls conditionally or unconditionally on the members of the Mortgagor concerned in respect of uncalled capital,
- 8.6 17 effect any policy or policies of insurance for any purpose in connection with the receivership and without prejudice to the generality of the foregoing particularly to support and underwrite any indemnity given by the Mortgagor hereunder,
- 8 6.18 make any arrangement or compromise or disclaim, alter, enter into or cancel any contract or liability which he shall think expedient,
- 8.6 19 sign any document execute any deed and do all such other acts and things as he may in his absolute discretion consider to be incidental or conducive to any of the matters and powers aforesaid or to the realisation of the security constituted by this Deed,
- 8.6 20 present or, as the case may be, defend a petition for the winding up of the Mortgagor,
- 8 6 21 employ or engage, upon such terms (as to remuneration or otherwise) as he may think proper, such professional advisers, managers, servants and agents as he considers necessary including without limiting the generality of the foregoing architects, estate agents, quantity surveyors, solicitors, valuers auctioneers, surveyors and accountants,
- 8 6 22 bring or defend any action or legal proceedings or discontinue the same on behalf of the Mortgagor;
- 8 6 23 exercise any option or right of election available at law to the Mortgagor or the Mortgagee or a Receiver that the supplies made in respect of any lease or tenancy hereby charged shall be chargeable or taxable for Value Added Tax purposes at the standard or any other applicable rate of tax,
- 8 6 24 obtain, renew, extend, amend or otherwise deal with such permissions, consents and/or licences for the benefit of or otherwise connected with or ancillary to all or part of the Security Assets or its use or development of the Mortgagor's business,
- 8 6 25 do all such other acts and things as may be considered to be expedient for the protection of the Security Assets or to be incidental or conducive to any of the above matters and powers or any other act or thing which he could do if he were

absolutely entitled to the Security Assets and which the Receiver may lawfully do as agent for the Mortgagor,

8 6 26 use the name of the Mortgagor for all or any of the above purposes with full power to convey, transfer or assign the whole or any part of the Security Assets sold in the name of the Mortgagor.

8 7 Protection of Third Parties

No person or persons (including a purchaser) dealing with the Mortgagee or any Receiver or Administrator shall be concerned to enquire whether any event has happened upon which any of the powers herein contained may have arisen or be exercisable or otherwise as to the propriety or regularity of any exercise thereof or of any act purporting or intended to be in exercise thereof or whether any monies remain owing upon the security of this Deed and all the protection of the Act shall apply to any person purchasing from or dealing with the Mortgagee or any Receiver or Administrator

8 8 Delegation

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

8 9 Mortgagee's Liability

Neither the Mortgagee nor any Receiver nor any of their respective agents, managers, officers, employees, delegates or advisers shall in any circumstances be liable to the Mortgagor for any claim, demand, liability, loss, damage, cost or expense from any exercise, purported exercise or non-exercise by the Mortgagee or any Receiver of any power, authority, right or discretion conferred upon it in relation to any Security Asset or any part thereof by or pursuant to this Deed or by the Act or the Insolvency Act 1986.

8.10 Vacation of Possession

If the Mortgagee or any Receiver or Administrator appointed by the Mortgagee or any such delegate as aforesaid shall enter into possession of the Property or any part thereof it or he may from time to time at pleasure go out of such possession

8 11 Not Mortgagee In Possession

Neither the Mortgagee nor any Receiver or Administrator shall by reason of the taking of possession of the whole or any part of the Security Assets by any of them be liable to account as mortgagee-in-possession or for anything except actual receipts or be liable for any loss upon realisation or for any default or omission for which a mortgagee-in-possession might be liable.

9. APPLICATION OF PROCEEDS

Subject to claims having priority to the charges created by this Deed and to any applicable statutory requirement as to the payment of preferential debts, all monies received under the powers conferred by this Deed shall be applied in the following order -

- 9 1 in payment of all costs charges and expenses relating to the exercise of all or any of the powers aforesaid and of all other outgoings payable by the Receiver or Administrator (or as the case may be by the Mortgagee),
- 9 2 (if applicable) in payment of remuneration to the Receiver or Administrator at such rate as may be agreed between him and the Mortgagee,
- 9.3 in or towards payment pro rata of any sums due but unpaid under the Transaction Documents, and
- 9.4 the surplus (if any) shall be paid to the Mortgagor or to whomsoever else may be entitled thereto in priority to the Mortgagor,

save that the Mortgagee may credit any monies received under this Deed to a suspense account for so long and in such manner as the Mortgagee may from time to time determine and the Receiver or Administrator may retain the same for such period as he and the Mortgagee consider expedient

10. EXPENSES AND INDEMNITY

- 10 1 The Mortgagor shall promptly on demand pay the Mortgagee the amount of all proper costs, fees and expenses (including legal fees) and Taxes thereon incurred by the Mortgagee or for which the Mortgagee may become liable in connection with -
 - 10 1.1 any consent or waiver required from the Mortgagee in relation to this Deed, and/or
 - 10.1 2 any settlement, discharge or release of this Deed, and/or
- 10 2 The Mortgagor further covenants with the Mortgagee that it shall within three Working Days of demand reimburse or pay to the Mortgagee or any Receiver or Administrator and each agent, attorney, manager or other person appointed by the Mortgagee under this Deed (on the basis of a full indemnity) the amount of all costs (including legal costs), charges and expenses incurred or sustained by the Mortgagee or the Receiver or Administrator (including, for the avoidance of doubt, any such costs, charges and expenses arising from any act or omission of, or proceedings involving, any third person) in connection with -
 - 10 2 1 any survey, inspection or valuation of the Property under or in connection with this Deed, and the preparation, registration or perfecting of this Deed (or any of the charges contained in it), or any other document entered into between the Mortgagor and the Mortgagee; and/or
 - 10.2.2 the exercise, or the attempted or purported exercise, by or on behalf of the Mortgagee or any Receiver or Administrator of any of the powers of the Mortgagee, any Receiver or Administrator or any agent or attorney, and/or

10 2 3 the enforcement, preservation or attempted preservation of the Mortgagee's rights under this Deed or any other action taken by or on behalf of the Mortgagee with a view to or in connection with the recovery by the Mortgagee of the Secured Liabilities from the Mortgagor or any other person, and/or

10 2.4 the carrying out of any other act or matter which the Mortgagee, any Receiver or Administrator may reasonably consider to be necessary or desirable for the preservation, improvement or benefit of the Security Assets

10 3 The Mortgagor shall within three Working Days of demand pay any stamp, documentary and other similar duties and taxes to which this Deed or any related documents may be subject or give rise and shall fully indemnify the Mortgagee from and against any losses or liabilities which it may incur as a result of any delay or omission by the Mortgagor to pay any such duties or taxes.

11. FURTHER ASSURANCE

The Mortgagor hereby covenants that it and all other necessary parties (if any) immediately on demand at the Mortgagor's expense will:-

11 1 execute and deliver to the Mortgagee or the Mortgagee's nominees such further mortgages, fixed or floating charges or assignments comprising any Security Asset or any part thereof for further securing the Secured Liabilities in such form as shall be consistent with this Deed,

11 2 execute and do all such assurances acts and things as the Mortgagee or any Receiver may in its absolute discretion require for -

11 2.1 perfecting, preserving or protecting the security created (or intended to be created) by this Deed or any of the rights of the Mortgagee or any Receiver under this Deed, or

11 2.2 facilitating the appropriation or realisation of any Security Asset or any part thereof and enforcing the security constituted by this Deed in either case on or at any time after the same shall have become enforceable; or

11 2.3 the exercise of any power, authority or discretion vested in the Mortgagee or any Receiver under this Deed.

12. POWER OF ATTORNEY

The Mortgagor, by way of security, irrevocably and severally appoints the Mortgagee, each Receiver or Administrator and any of their delegates or sub-delegates to be its attorney to take any action which the Mortgagor is obliged to take under this Deed, including, without limitation, under Clause 11 (*Further Assurance*). The Mortgagor ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this Clause and the exercise by the Mortgagee (or a Receiver or Administrator) of such power shall be conclusive evidence of its right to exercise the same.

13. ASSIGNMENT

13 1 This Deed shall be binding upon and shall enure to the benefit of the Mortgagee and the Mortgagor and their respective successors and, in the case of the

Mortgagee, its assigns and transferees and references in this Deed to any of them shall be construed accordingly.

13 2 The Mortgagor may not assign or transfer all or any part of its rights and/or obligations under this Deed

13 3 The Mortgagee may assign or transfer all or any part of its rights and/or obligations hereunder to any permitted assignee or transferee of its rights and/or obligations under the Option Agreement

13 4 The Mortgagee may disclose to any potential assignee or transferee of all or part of its rights and/or obligations under this Deed such information about the Mortgagor as the Mortgagee thinks fit

14. MISCELLANEOUS

14 1 Default Interest

14 1 1 If the Mortgagor defaults in the payment or repayment on the due date of any sum from time to time due under this Deed, interest will accrue on the amount in respect of which default has been made from the date of default until actual payment (both before and after judgment) at 4% of the base lending rate of HSBC Bank plc from time to time

14 1 2 All payments of interest shall accrue from day to day and shall be calculated on the basis of the actual number of days elapsed and a year of 365 days

14 2 Giving of Time

The Mortgagee shall be at liberty from time to time to give time for payment of any liability of the Mortgagor to the Mortgagee as the Mortgagee shall in its discretion think fit without in any manner releasing the Mortgagor or affecting the security hereby made.

14 3 No other Registered Proprietor

During the Security Period no person other than the Mortgagor shall be registered under the Land Registration Act 2002 as proprietor of the Property or any part thereof without the prior written consent of the Mortgagee and the costs incurred by the Mortgagee of lodging from time to time a caution against the registration of the Property shall be deemed to be an expense properly incurred by the Mortgagee in relation to this Deed.

14 4 Discharge

Subject to Clause 7 2 above, upon the Mortgagee being satisfied that the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and following a written request therefor from the Mortgagor, the Mortgagee will forthwith release the security created by this Deed

14 5 Perpetuity Period

If applicable, the perpetuity period under the rule against perpetuities shall be 125 years from the date of this Deed

14.6 Tax gross-up

All payments to be made by the Mortgagor to the Mortgagee under this Deed shall be made without set-off and free and clear of and without withholding or deduction for or on account of taxes, save as may be required by law or regulation, in which case in which case the Mortgagor shall.-

14.6 1 ensure that the withholding or deduction does not exceed the minimum amount legally required,

14.6 2 forthwith pay to the Mortgagee such additional amount as is necessary to ensure that the net full amount received by the Mortgagee after the required withholding or deduction is equal to the amount that we would have received had no such withholding or deduction been made;

14 6 3 pay to the relevant taxation or other authorities within the period for payment permitted by applicable law the full amount of the deduction or withholding, and

14 6 4 furnish to the Mortgagee, within the period for payment permitted by the relevant law, either.-

14 6.4.1 an official receipt of the relevant taxation authorities involved in respect of all amounts so deducted or withheld, or

14 6.4 2 if such receipts are not issued by the taxation authorities concerned on payment to them of amounts so deducted or withheld, a certificate of deduction or equivalent evidence of the relevant deduction or withholding

14 7 Set-off

The Mortgagee may set off any matured obligation due from the Mortgagor under the Transaction Documents against any matured obligation owed by the Mortgagee to the Mortgagor

14 8 Certificates and Determinations

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

14 9 Partial Invalidity

Each of the provisions of this Deed is severable. If any such provision is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction the legality, validity or enforceability in that jurisdiction of the remaining provisions of this Deed or, in any other jurisdiction, of that provision or any other provisions of this Deed, shall not in any way be affected or impaired thereby

14 10 Remedies and Waivers

14 10 1 No omission to exercise or delay in exercising on the part of the Mortgagee any right, power or remedy provided by law or under this Deed shall constitute a waiver of such right, power or remedy or any other right, power or remedy or

impair such right, power or remedy. No single or partial exercise of any such right, power or remedy shall preclude or impair any other or further exercise thereof or the exercise of any other right, power or remedy provided by law or under this Deed

14 10 2 Any waiver of any right, power or remedy under this Deed, or any consent or approval given by the Mortgagee hereunder, shall only be effective if given in writing and may be given subject to any conditions which the grantor may think fit Unless otherwise expressly stated, any waiver shall be effective only in the instance and only for the purpose for which it is given

14 10 3 No variation of this Deed shall be of any effect unless it is agreed in writing and executed by or on behalf of each party

14.10.4 Unless specifically provided otherwise, rights arising under this Deed are cumulative and do not exclude any other rights provided by law or otherwise

14 11 **Counterparts**

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed

15. LAW AND JURISDICTION

15 1 This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, English law

15 2 In relation to any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed), and for the exclusive benefit of the Mortgagee, the Mortgagor hereby irrevocably and unconditionally submits to the jurisdiction of the English courts and waives any objection to proceedings with respect to this Deed in such courts on the grounds of venue or inconvenient forum

15 3 Nothing in this Clause shall affect the right of the Mortgagee to serve process in any manner permitted by law or limit the right of the Mortgagee to take proceedings with respect to this Deed against the Mortgagor in any jurisdiction nor shall the taking of proceedings with respect to this Deed in any jurisdiction preclude the Mortgagee from taking proceedings with respect to this Deed in any other jurisdiction, whether concurrently or not

16. NOTICES AND CONFIDENTIALITY

Clauses 20(Confidentiality) and 23 (Notices) of the Option Agreement shall apply and extend to this Deed as if they were set out herein but with the references in those clauses to "this Agreement" and "the Owner" and "the Promoter" (howsoever described) being replaced respectively by references to "this Deed, "the Mortgagor" and "the Mortgagee" (where appropriate)

17. RIGHTS OF THIRD PARTIES

Unless expressly provided to the contrary in this Deed, a person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed

18. CHARITIES ACT

18.1 The Mortgagor is a non-exempt charity and this charge is not one falling within section 124(9) of the Charities, so that the restrictions imposed by section 124 of the Charities Act apply.

18.2 The restrictions on disposition imposed by sections 117 to 121 of the Charities Act also apply to the land (subject to section 117(3) of the Charities Act)

18.3 The directors of the Mortgagor, being the persons who have the general control and management of its administration certify that

18.3.1 they have power under the trusts of the charity to effect this charge, and

18.4 they have obtained and considered such advice as is mentioned in section 124(2) of the Charities Act

IN WITNESS whereof the parties hereto have caused this Deed to be duly executed and delivered (in the case of the Mortgagor, as its deed) on the day and year first before written

SCHEDULE 1

DESCRIPTION OF THE PROPERTY

The land known at Arundel Road Fontwell, West Sussex being the land comprised in the title registered at the Land Registry under title numbers WSX153158, WSX153159, WSX153160 and WSX178314.

EXECUTED as a DEED
by THE DUNHILL MEDICAL TRUST
acting by a director in the presence of.-

Signature of witness:

Name of witness: M Q N MURRES

Address of witness: 96 FETTER LANE

LONDON ECHA 1AD