



Registration of a Charge

Company name: **JAMES EDWARDS DEVELOPMENTS LIMITED**

Company number: **09890293**



X7DX66RC

Received for Electronic Filing: **06/09/2018**

Details of Charge

Date of creation: **31/08/2018**

Charge code: **0989 0293 0010**

Persons entitled: **SPF BRIDGING LTD**

Brief description: **LANELAY HALL, TALBOT GREEN, PONTYCLUN AND LAND ADJOINING**
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 THE ELECTRONIC COPY INSTRUMENT
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION
IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **JESSICA CLOKE**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9890293

Charge code: 0989 0293 0010

The Registrar of Companies for England and Wales hereby certifies that a charge dated 31st August 2018 and created by JAMES EDWARDS DEVELOPMENTS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 6th September 2018 .

Given at Companies House, Cardiff on 10th September 2018

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 31st August 2018

Legal mortgage of property

between

SPF BRIDGING LTD

and

JAMES EDWARDS DEVELOPMENTS LIMITED

CONTENTS

CLAUSE

1.	Definitions and interpretation.....	1
2.	Covenant to pay.....	4
3.	Grant of security.....	5
4.	Perfection of security	6
5.	Liability of the Borrower.....	7
6.	Representations and warranties	7
7.	Covenants.....	7
8.	Powers of the Lender	7
9.	Enforcement	7
10.	Receivers	9
11.	Powers and capacity of a Receiver.....	10
12.	Delegation	10
13.	Application of proceeds	10
14.	Protection of third parties.....	11
15.	Costs and indemnity	12
16.	Power of attorney	12
17.	Release	13
18.	Assignment and transfer.....	13
19.	Further provisions	13
20.	Notices	15
21.	Governing law and jurisdiction	16

SCHEDULE

SCHEDULE 1	ASSIGNED AGREEMENTS	17
SCHEDULE 2	PROPERTY.....	18
SCHEDULE 3	REPRESENTATIONS AND WARRANTIES	19
1.	Ownership of Charged Property.....	19
2.	No Encumbrances	19
3.	Adverse claims.....	19
4.	Adverse covenants	19
5.	No breach of laws.....	19
6.	No interference in enjoyment.....	19
7.	No overriding interests.....	19
8.	Avoidance of security	19
9.	No prohibitions or breaches	19
10.	Environmental compliance.....	20
11.	Information for Valuations and Certificates of Title	20
SCHEDULE 4	COVENANTS.....	21
Part 1.	General covenants	21
1.	Negative pledge and disposal restrictions	21

2.	Preservation of Charged Property	21
3.	Enforcement of rights.....	21
4.	Compliance with laws	21
5.	Notice of breaches.....	21
6.	Title documents.....	22
7.	Notices to be given by the Borrower.....	22
8.	Further assurance	22
9.	Borrower's waiver of set-off.....	22
Part 2.	Assigned Agreements covenants.....	23
10.	No waiver of rights.....	23
11.	No amendment or termination.....	23
Part 3.	Property covenants	23
12.	Repair and maintenance	23
13.	No alterations	23
14.	Development restrictions.....	23
15.	Insurance	23
16.	Insurance premiums	24
17.	No invalidation of insurance	24
18.	Insurance Policies' proceeds.....	25
19.	Leases and licences affecting the Property.....	25
20.	No restrictive obligations	25
21.	Proprietary rights.....	25
22.	Compliance with and enforcement of covenants.....	25
23.	Notices or claims relating to the Property	26
24.	Payment of rent and outgoings.....	26
25.	Rent reviews.....	26
26.	Environment.....	27
27.	Conduct of business on Property.....	27
28.	Inspection	27
29.	VAT option to tax	27
Part 4.	Rent covenants	27
30.	Collection of and dealings with Rent	27
31.	Notice of assignment of Rent.....	28
SCHEDULE 5	POWERS OF THE LENDER	29
1.	Power to remedy	29
2.	Exercise of rights.....	29
3.	Lender has Receiver's powers	29
4.	Power to dispose of chattels.....	29
5.	Conversion of currency	29
6.	New accounts	30
7.	Lender's set-off rights.....	30
8.	Indulgence	30
SCHEDULE 6	POWERS OF A RECEIVER	31
9.	Power to repair and develop the Property	31

10.	Power to grant or accept surrenders of leases	31
11.	Power to employ personnel and advisers	31
12.	Power to make and revoke VAT options to tax	31
13.	Power to charge for remuneration	31
14.	Power to realise Charged Property	31
15.	Power to manage or reconstruct the Borrower's business	31
16.	Power to dispose of Charged Property	32
17.	Power to give valid receipts	32
18.	Power to make settlements	32
19.	Power to bring proceedings	32
20.	Power to insure	32
21.	Powers under LPA	32
22.	Power to borrow	32
23.	Power to redeem prior Encumbrances	33
24.	Power of absolute owner	33
25.	Incidental powers	33
SCHEDULE 7 NOTICE DETAILS		34

THIS DEED is dated the 31st day of August 2018

PARTIES

- (1) **James Edwards Developments Limited** is a company incorporated and registered in England and Wales with company number **09890293** whose registered office is at of Edwards House 36a Talbot Road, Talbot Green, Pontyclun, United Kingdom, CF72 8AF (**Borrower**).
- (2) **SPF Bridging Ltd** is a company incorporated and registered in England and Wales with company number **08572664**, whose registered office is at Avon House, 435 Stratford Road, Solihull, Birmingham, West Midlands B90 4AA (**Lender**).

BACKGROUND

- (A) The Borrower will be acquiring the Property.
- (B) In consideration of the Lender granting time, credit and/or loan facilities or other accommodation to the Borrower, the Borrower has agreed to enter into this deed to create a legal mortgage over the property in favour of the Lender as security for the Secured Liabilities (defined below).

AGREED TERMS

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

The definitions and rules of interpretation in this clause apply in this legal mortgage.

Assigned Agreements: the agreements (details of which are set out in Schedule 1), which are assigned by the Borrower pursuant to clause 3.2.3.

Business Day: a day (other than a Saturday or Sunday) on which banks are open for general business in London.

Certificate of Title: any report on or certificate of title relating to the Property supplied to the Lender by the Borrower (or on its behalf).

Charged Property: all the assets, property and undertaking for the time being subject to any Encumbrance created by this legal mortgage. 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 under or in relation to this legal mortgage, the Charged Property or breach of any provision of this legal mortgage by the Borrower.

Delegate: any person appointed by the Lender or any Receiver pursuant to clause 12 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: all of the air, water and land, including (without limitation) the air within buildings and other natural or man-made structures above or below ground, ground and surface water and surface and sub-surface soil.

Environmental Law: all applicable statutes, treaties, regulations, directives or similar measures relating to the pollution or protection of the Environment that affect the Charged Property.

Environmental Licence: any authorisation required by an Environmental Law in respect of any of the Charged Property.

Event of Default: any event or circumstance which is defined as an Event of Default in the Loan Facility Letter.

Loan Facility Letter: the loan facility letter dated on or about 4th April 2018 addressed to the Borrower from the Lender, including its appendices.

Loan Facility Agreement: the agreement made between the Lender and the Borrower on the terms set out in the Loan Facility Letter.

Insurance Policies: any policies of insurance relating to the Property.

LPA: the Law of Property Act 1925.

Permitted Encumbrance: any Encumbrance referred to in the Loan Facility Letter.

Property: the freehold or leasehold property (whether registered or unregistered) owned by the Borrower described in Schedule 2 .

Receiver: a receiver and/or manager of any or all of the Charged Property appointed under clause 10.1.

Rent: all amounts payable to or for the benefit of the Borrower 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 Borrower in respect of occupation or usage of any part of the Property, including (without limitation) for display of advertisements on licence or otherwise.

Rent Account: the Borrower's rent account.

Secured Liabilities: all present and future monies, obligations and liabilities owed by the Borrower to the Lender, whether actual or contingent and whether owed jointly or severally, as principal or surety and/or in any other capacity together with all interest (including, without limitation, default interest) accruing in respect of such monies or liabilities.

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 Borrower (or on its behalf).

VAT: value added tax.

1.2 Interpretation

In this legal mortgage unless the context requires otherwise:

- 1.2.1 A reference to a statute or statutory provision includes a reference to any subordinate legislation made under that statute or statutory provision, to any modification, re-enactment or extension of that statute or statutory provision and to any former statute or statutory provision which it consolidated or re-enacted before the date of this legal mortgage.
- 1.2.2 A reference to one gender includes a reference to the other gender.
- 1.2.3 Words in the singular 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.
- 1.2.5 A reference to **the Loan Facility Letter, the Loan Facility Agreement, this legal mortgage** (or any specified 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 from time to time and as amended, varied, supplemented, extended, renewed, replaced, novated or restated from time to time (however fundamentally and even if the same increases the liabilities or obligations of the Borrower or provides for further advances).
- 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 a person.
- 1.2.7 A reference to an **amendment** includes a supplement, variation, novation or re-enactment (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 authorisation, consent, licence, approval, resolution, exemption, filing, registration and notarisation.
- 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 organisation.
- 1.2.11 Clause, schedule and paragraph headings shall not affect the interpretation of this legal mortgage.

1.3 **Clawback**

If the Lender considers, on reasonable grounds, that an amount paid by the Borrower in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation, administration or bankruptcy of the Borrower, then that amount shall not be considered to have been irrevocably paid for the purposes of this legal mortgage.

1.4 **Nature of security over real property**

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 and fixed plant and machinery which are situated on and form part of the Property at any time but excluding trade machinery within the meaning of s 5 of the Bills of Sale Act 1878;
- 1.4.2 the proceeds of sale of any part of the Property 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 Borrower 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.

1.5 Law of Property (Miscellaneous Provisions) Act 1989

For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms set out in the Loan Facility Letter are incorporated into this legal mortgage.

1.6 Third party rights

A third party (being any person other than the Borrower, the Lender and its permitted successors and assigns) 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 Perpetuity period

If the rule against perpetuities applies to any trust created by this deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

1.8 Schedules

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 Payment of Secured Liabilities

- 2.2 The Borrower shall (on demand) pay the Secured Liabilities to the Lender when they become due.

2.3 Payment of interest

- 2.4 The Borrower shall pay interest on any amounts which become due under the Loan Facility Agreement in accordance with the terms of the Loan Facility Agreement.

- 2.5 The Borrower shall pay interest on any Costs, both before and after any judgment, liquidation, winding-up, administration or bankruptcy of the Borrower, at the rate of interest specified in the Loan Facility Letter, calculated from day to day until actual payment, and such interest

shall accrue and be payable from the date on which such Costs are incurred or, where the Borrower does not or has not entered into the Loan Facility Agreement for the purposes of his business, trade or profession, from the date on which notice has been given to the Borrower that such Costs have been incurred, without the need in either case for any demand for payment being made.

- 2.6 Interest under clause 2.5 shall be calculated and accrue in the same manner as interest is to be calculated and to accrue under the Loan Facility Agreement.

3. GRANT OF SECURITY

3.1 Grant of legal mortgage and fixed charges

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee charges to the Lender:

- 3.1.1 by way of first legal mortgage, the Property; and
- 3.1.2 by way of first fixed charge:
 - 3.1.2.1 all the Borrower's rights in each Insurance Policy, including the proceeds of any claims under each Insurance Policy, and the benefit of any guarantee or security in respect of the Rent, the benefit of each Assigned Agreement and the benefit of any guarantee or security for the performance of an Assigned Agreement to the extent not effectively assigned under clause 3.2;
 - 3.1.2.2 the benefit of all other contracts, guarantees, appointments, warranties and authorisations (statutory or otherwise) relating to the Property to which the Borrower is a party or which are in favour of the Borrower or of which the Borrower has the benefit relating to any letting, development, sale, purchase or use of, 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 the benefit of the Borrower 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 the benefit of the Borrower arising from any of them; and
 - 3.1.2.3 all authorisations (statutory or otherwise) held or required in connection with the Borrower's business carried on at the Property or the use of any Charged Property, and all rights in connection with them; and
 - 3.1.2.4 all monies from time to time standing to the credit of the Rent Account.

3.2 Assignment

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee assigns to the Lender, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities,

- 3.2.1 all the Borrower's rights in each Insurance Policy, including the proceeds of any claims under each Insurance Policy.
- 3.2.2 the Rent and the benefit of any guarantee or security in respect of the Rent; and
- 3.2.3 the benefit of each Assigned Agreement and the benefit of any guarantee or security for the performance of an Assigned Agreement,

provided that nothing in this clause 3.2 shall constitute the Lender as mortgagee in possession.

4. PERFECTION OF SECURITY

4.1 Registration of legal mortgage at the Land Registry

The Borrower consents to an application being made by the Lender to the Land Registrar for the following restriction in Form P to be registered against the Borrower's 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 2018 in favour of SPF Bridging Ltd referred to in the charges register."

4.2 Further advances

The Lender covenants with the Borrower that it shall perform its obligations to make advances to the Borrower in accordance with the terms of the Loan Facility Agreement (including any obligation to make further advances).

4.3 First registration

If the title to the Property is not registered at the Land Registry, the Borrower 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.

4.4 Cautions against first registration and notices

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 Borrower's title to the Property, the Borrower shall as soon as reasonably practicable 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 Borrower shall as soon as reasonably practicable and at his own expense take such steps as the Lender may require to ensure that the caution or notice, as applicable, is withdrawn or cancelled.

5. LIABILITY OF THE BORROWER

5.1 Liability not discharged

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

- 5.1.1 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
- 5.1.2 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; or
- 5.1.3 any other act or omission, which but for this clause 5.1 might have discharged, or otherwise prejudiced or affected, the liability of the Borrower.

5.2 Immediate recourse

The Borrower waives any right the Borrower 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 Borrower.

6. REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lender in the terms set out in Schedule 3 on each day during the Security Period.

7. COVENANTS

The Borrower covenants with the Lender in the terms set out in Schedule 4 .

8. POWERS OF THE LENDER

The Lender shall have the powers set out in Schedule 5.

9. ENFORCEMENT

9.1 When security becomes enforceable

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 (i) at any time after the occurrence of an Event of Default (whether or not such Event of Default is still continuing), (ii) if any of the Secured Liabilities is not paid and/or discharged in accordance with the terms of this deed, or (iii) if the Borrower so requests the Lender in writing (whether or not the Lender has entered into or taken possession of the Charged Property) to appoint any person or persons to be a Receiver over the whole or any part of the Charged Property.

9.2 When statutory powers arise

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 this legal mortgage has become enforceable under clause 9.1.

9.3 Enforcement of security

After this legal mortgage has become enforceable, the Lender may in its absolute discretion enforce all or any part of the security conferred by this legal mortgage at such times, in such manner and on such the terms as it reasonably thinks fit and take possession of and hold or dispose of all or any part of the Charged Property.

9.4 Prior Encumbrances

At any time after this legal mortgage has become enforceable, or after any power to repossess the Charged Property or to appoint a receiver in respect of the Charged Property which is conferred by any Encumbrance having priority to this legal mortgage shall have become exercisable, the Lender may:

9.4.1 procure the transfer of such Encumbrance to itself and/or

9.4.2 discharge any liability secured by such Encumbrance.

9.5 The discharge of any such liability shall be conclusive and binding on the Borrower. All monies paid by the Lender in procuring the transfer of such Encumbrance to itself and/or the discharge of any liability secured by such Encumbrance shall, as from the date of payment by the Lender, be due from the Borrower to the Lender and shall bear interest and be secured as Costs under this legal mortgage.

9.6 Extension of statutory powers of leasing

The statutory powers of leasing and accepting surrenders are extended so as to authorise the Lender and any Receiver, at any time after this legal mortgage has become enforceable, whether in its own name or in that of the Borrower, to make any lease or agreement for lease, accept surrenders of leases or grant any option in respect 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 Borrower, 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, acting reasonably for the purposes of protecting, preserving or realising the security constituted by this legal mortgage, thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA.

9.7 Privileges

Each Receiver and the Lender is entitled to all the rights, powers, privileges and immunities conferred by the LPA on mortgagees and receivers.

9.8 No liability as mortgagee in possession

Where the Borrower enters, or has entered, into the Loan Facility Agreement for the purposes of his business, trade or profession, neither the Lender nor 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.

9.9 Relinquishing possession

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. RECEIVERS

10.1 Appointment and removal of a Receiver

At any time after this legal mortgage has become enforceable or at the request of the Borrower, the Lender may, without further notice:

10.1.1 appoint in writing, signed by duly authorised signatories, or by a duly authorised signatory, of the Lender, 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

10.1.2 (subject to section 45 of the Insolvency Act 1986) from time to time, in writing, signed by duly authorised signatories, or by a duly authorised signatory, of the Lender, remove any person appointed to be Receiver and may, in a similar manner, appoint another in his place.

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).

10.2 Power of appointment additional to statutory powers

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.

10.3 Power of appointment exercisable despite prior appointments

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.

10.4 Remuneration of a Receiver

The Lender may agree the reasonable remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA and the reasonable remuneration of the Receiver shall be Costs secured by and payable in accordance with the terms of this legal mortgage. In the event that any remuneration due to the Receiver is paid by the Lender, the amount of any remuneration so paid shall be Costs of the Lender secured by and payable in accordance with the terms of this legal mortgage.

11. POWERS AND CAPACITY OF A RECEIVER

11.1 Powers of a Receiver

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, have the powers set out in Schedule 6.

11.2 Receiver to be agent of the Borrower

Any Receiver appointed by the Lender under this legal mortgage shall be the agent of the Borrower and the Borrower shall be solely responsible for his acts and remuneration, as well as for any defaults committed by him other than such defaults as amount to a breach of such equitable duties as he may have to the Borrower. The agency of each Receiver shall continue until the Borrower goes into liquidation or is made bankrupt and after that the Receiver shall act as principal and shall not become the agent of the Lender.

12. DELEGATION

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 16.1). Any such delegation may be made upon such terms and conditions (including the power to sub-delegate) as the Lender or any Receiver, acting reasonably for the purposes of protecting, preserving or realising the security constituted by this legal mortgage, or any part of it, shall think fit. Neither the Lender nor any Receiver shall be in any way liable or responsible to the Borrower for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate, other than any arising from any breach of such equitable duties as they may have to the Borrower.

13. APPLICATION OF PROCEEDS

13.1 Order of application

All monies received by the Lender or a Receiver or a Delegate (other than sums received pursuant to any Insurance Policy) pursuant to this legal mortgage after 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:

- 13.1.1 first in paying all costs, charges and expenses of, and incidental to, the appointment of any Receiver and the exercise of his powers and all outgoings paid by him;
- 13.1.2 second in paying the remuneration of any Receiver (as agreed between the Receiver and the Lender);
- 13.1.3 third in or towards discharge of the Secured Liabilities in such order and manner as the Lender determines; and
- 13.1.4 finally in paying any surplus to the Borrower or any other person entitled to it.

13.2 Appropriation

Neither the Lender, nor 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.

13.3 Suspense account

Where the Borrower enters into the Loan Facility Agreement for the purposes of his business, trade or profession, all monies received by the Lender or a Receiver or a Delegate under this legal mortgage 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 and the Borrower, and may be held in such account for so long as the Lender, Receiver or Delegate thinks fit.

14. PROTECTION OF THIRD PARTIES

14.1 Protection of third parties

No purchaser, mortgagee or other person dealing with the Lender or any Receiver or Delegate shall be concerned:

- 14.1.1 to enquire whether any of the Secured Liabilities have become due or payable, or remain unpaid or un-discharged, or whether the power the Lender or a Receiver or Delegate is purporting to exercise has become exercisable; or
- 14.1.2 to see to the application of any money paid to the Lender or any Receiver or Delegate.

14.2 Conclusive discharge to purchasers

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.

15. COSTS AND INDEMNITY

15.1 Costs

The Borrower 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:

- 15.1.1 this legal mortgage or the Charged Property;
- 15.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to take, hold, protect, perfect, preserve or enforce) any of the Lender's, Receiver's or Delegate's rights under this legal mortgage; and
- 15.1.3 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, administration or bankruptcy of the Borrower) at the rate and in the manner specified in the Loan Facility Letter. In the case of any Costs, such interest shall accrue and be payable as from the date on which the relevant Costs were incurred or, where the Borrower does not or has not entered into the Loan Facility Agreement for the purposes of his business, trade or profession, from the date on which notice has been given to the Borrower that such Costs have been incurred, without the need in either case for any demand for payment being made.

15.2 Indemnity

The Lender, any Receiver and any Delegate, and their respective employees and agents, shall be indemnified 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:

- 15.2.1 the exercise, or attempted exercise, of any of the powers, authorities or discretions vested in them under this legal mortgage;
- 15.2.2 any matter or thing done in relation to the Charged Property under those powers; or
- 15.2.3 any default or delay by the Borrower in performing any of its obligations under this legal mortgage.

16. POWER OF ATTORNEY

16.1 Appointment of attorneys

By way of security, the Borrower irrevocably appoints the Lender, every Receiver and every Delegate separately to be the attorney of the Borrower and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things which:

- 16.1.1 the Borrower is required to execute and do under this legal mortgage; and
- 16.1.2 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.

16.2 Ratification of acts of attorneys

The Borrower ratifies and confirms, and agrees to ratify and confirm, anything which any of its attorneys may do in the proper and lawful exercise or attempted exercise of all or any of the powers, authorities and discretions referred to in clause 16.1.

17. RELEASE

Subject to clause 19.3, on the expiry of the Security Period (but not otherwise), the Lender shall, at the request and cost of the Borrower, take whatever action is necessary to release the Charged Property from the security constituted by this legal mortgage.

18. ASSIGNMENT AND TRANSFER

18.1 Assignment by the Lender

At any time, without the consent of the Borrower, 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 Borrower, the Charged Property and this legal mortgage as the Lender considers appropriate to any actual or proposed assignee or transferee.

18.2 Assignment by the Borrower

The Borrower 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.

19. FURTHER PROVISIONS

19.1 Independent security

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.

19.2 Continuing security

This legal mortgage shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any intermediate payment, or other matter or thing, unless and until the Lender discharges this legal mortgage in writing.

19.3 Discharge conditional

Any release, discharge or settlement between the Borrower 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:

19.3.1 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 reasonably considers to be necessary to provide the Lender with security against any such avoidance, reduction or order for refund; and

19.3.2 the Lender may recover the value or amount of such security or payment from the Borrower subsequently as if such release, discharge or settlement had not occurred.

19.4 Joint & Several Liability

When this deed is executed by two or more parties as Borrower, the liability of each of them to the Lender shall be joint and several.

19.5 Certificates

A certificate or determination by the Lender as to any amount for the time being due to it from the Borrower shall (in the absence of any manifest error) be conclusive evidence of the amount due.

19.6 Rights cumulative

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.

19.7 Waivers

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.

19.8 Further exercise of rights

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.

19.9 Delay

No delay or failure to exercise any right or power under this legal mortgage shall operate as a waiver.

19.10 Single or partial exercise

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.

19.11 Consolidation

Where the Borrower enters, or has entered, into the Loan Facility Agreement for the purposes of his business, trade or profession, the restriction on the right of consolidation contained in section 93 of the LPA shall not apply to this legal mortgage.

19.12 Partial invalidity

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.

19.13 Counterparts

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.

20. NOTICES

20.1 Service

Any notice or other communication given under this legal mortgage shall be in writing and shall be served by delivering it personally or by sending it by recorded delivery or by fax to the address or fax number, and for the attention, of the relevant party as set out in Schedule 7, or such other address or fax number as may be notified in writing from time to time by the relevant party to the other party.

20.2 Receipt

Receipt of any notice given under clause 20.1, shall be deemed to be received:

- 20.2.1 if delivered personally, at the time of delivery; or
- 20.2.2 in the case of recorded delivery on the date of signature by the recipient, or
- 20.2.3 in the case of fax, when received in legible form.

20.3 Deemed receipt

If deemed receipt under clause 20.2.3 occurs:

- 20.3.1 before 9.00 am on a Business Day, the notice shall be deemed to have been received at 9.00 am on that day; or
- 20.3.2 after 5.00 pm on a Business Day, or on a day that is not a Business Day, the notice shall be deemed to have been received at 9.00 am on the next Business Day.

20.4 Proof of service

In proving service of a notice, it shall be sufficient to prove that the envelope containing such notice was addressed to the address of the relevant party as set out in Schedule 7 (or as otherwise notified by that party under clause 20.1) and delivered:

- 20.4.1 to that address; or
- 20.4.2 into the custody of the postal authorities as a pre-paid recorded delivery letter.

20.5 E-mails invalid

Notice given under this legal mortgage shall not be validly served if sent by e-mail.

21. GOVERNING LAW AND JURISDICTION

21.1 Governing law

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.

21.2 Jurisdiction

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 Borrower 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.

21.3 Other service

The Borrower irrevocably consents to any process in any proceedings under clause 21.2 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 executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Schedule 1 Assigned Agreements

Description of agreement:

Date:

Parties:

Schedule 2 Property:

The freehold property known as Lanelay Hall, Talbot Green, Pontyclun and Land Adjoining

HMLR Title Number: CYM334685

Schedule 3 Representations and warranties

1. OWNERSHIP OF CHARGED PROPERTY

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

2. NO ENCUMBRANCES

The Charged Property is free from Encumbrances other than Permitted Encumbrances and the Encumbrances created by this legal mortgage.

3. ADVERSE CLAIMS

The Borrower 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

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

5. NO BREACH OF LAWS

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

6. NO INTERFERENCE IN ENJOYMENT

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

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

8. AVOIDANCE OF SECURITY

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

9. NO PROHIBITIONS OR BREACHES

There is no prohibition on the Borrower assigning its rights in any of the Charged Property referred to in clause 3.1.2.3 and the entry into this legal mortgage by the Borrower does not and will not constitute a breach of any policy, agreement, document or instrument binding on the Borrower or its assets.

10. ENVIRONMENTAL COMPLIANCE

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

11. INFORMATION FOR VALUATIONS AND CERTIFICATES OF TITLE

- 11.1 All written information supplied by or on behalf of the Borrower for the purpose of each Valuation and Certificate of Title 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 3 was, as at its date or as at the date (if any) on which it was stated to be given, complete and the Borrower did not omit to supply any information which, if disclosed, would adversely affect the Valuation or Certificate of Title.
- 11.3 In the case of the first Valuation and Certificate of Title only, nothing has occurred since the date the information referred to in paragraph 11.1 of this Schedule 3 was supplied and the date of this legal mortgage which would adversely affect such Valuation or Certificate of Title.

Schedule 4 Covenants

Part 1. General covenants

1. NEGATIVE PLEDGE AND DISPOSAL RESTRICTIONS

The Borrower shall not at any time during the Security Period, except with the prior written consent of the Lender:

- (a) create, purport to create or permit to subsist any Encumbrance other than a Permitted Encumbrance on, or in relation to, the Charged Property other than this legal mortgage; or
- (b) 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
- (c) 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

The Borrower 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

The Borrower shall use the Borrower's best endeavours to:

- (a) procure the prompt observance and performance by the relevant counterparty to any agreement or arrangement with the Borrower and forming part of the Charged Property of the covenants and other obligations imposed on such counterparty; and
- (b) enforce any rights and institute, continue or defend any proceedings relating to any of the Charged Property which the Lender may, from time to time, reasonably require for the purposes of protecting or preserving the security constituted by this legal mortgage.

4. COMPLIANCE WITH LAWS

The Borrower 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

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

- (a) any representation or warranty set out in Schedule 3; and
- (b) any covenant set out in this Schedule 4 .

6. TITLE DOCUMENTS

The Borrower 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:

- (a) any deeds and documents of title relating to the Charged Property which are in the possession or control of the Borrower (if these are not within the possession and/or control of the Borrower, the Borrower undertakes to obtain possession of all such deeds and documents of title); and
- (b) all Insurance Policies; and
- (c) a copy of each Assigned Agreement, certified to be a true copy by either a director of the Borrower or by the Borrower's solicitors.

7. NOTICES TO BE GIVEN BY THE BORROWER

The Borrower shall within five days of **OR** immediately on the execution of this legal mortgage:

- (a) give notice to the relevant insurers of the assignment pursuant to clause 3.2.1 of the Borrower's rights and interest in and under the Insurance Policies and procure that each addressee of such notice promptly provides an acknowledgement of that notice to the Lender;
- (b) give notice to each of the other parties to the Assigned Agreements and any guarantee or security for the performance of an Assigned Agreement of the assignment pursuant to clause 3.2.3 of the Borrower's rights and interest in and under the Assigned Agreements and each guarantee or security for the performance of an Assigned Agreement and procure that each addressee of such notice promptly provides an acknowledgement of that notice to the Lender; and
- (c) give notice to the bank, financial institution or other person (excluding the Lender) with whom the Borrower has the Rent Account of the charging to the Lender pursuant to clause 3.1.2.4 of the Borrower's rights and interests in the Rent Account and procure that each addressee of such notice promptly provides an acknowledgement of that notice to the Lender.

The Borrower shall obtain the Lender's prior approval of the form of any notice or acknowledgement to be used under this paragraph 7.

8. FURTHER ASSURANCE

The Borrower, at the Borrower's 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. BORROWER'S WAIVER OF SET-OFF

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

Part 2. Assigned Agreements covenants

10. NO WAIVER OF RIGHTS

The Borrower shall not, without the prior written consent of the Lender, waive any of its rights under any Assigned Agreement.

11. NO AMENDMENT OR TERMINATION

The Borrower shall not, without the prior written consent of the Lender amend, terminate or permit termination of any Assigned Agreement.

Part 3. Property covenants

12. REPAIR AND MAINTENANCE

The Borrower 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.

13. NO ALTERATIONS

13.1 The Borrower shall not, without the prior written consent of the Lender:

- (a) pull down or remove the whole or any part of any building forming part of the Property nor permit the same to occur; or
- (b) make or permit to be made any material 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 12 of this Part 3 of Schedule 4).

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

14. DEVELOPMENT RESTRICTIONS

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

- (a) 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
- (b) 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.

15. INSURANCE

15.1 The Borrower 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:

- (a) loss or damage by fire or terrorist acts;
- (b) other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Borrower; and
- (c) any other risk, perils and contingencies as the Lender may reasonably require.

Any such insurance must be with an insurance company or underwriters and on such terms as are reasonably acceptable to the Lender and must 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 demolition and reinstatement) and loss of rents payable by the tenants or other occupiers of the Property for a period of at least three years.

15.2 The Borrower shall, if requested by the Lender, produce to the Lender the policy, certificate or cover note relating to any such insurance required by paragraph 15.1 of this Part 3 of Schedule 4 (or where, in the case of any leasehold property, such insurance is effected by the landlord, such evidence of insurance as the Borrower is entitled to obtain from the landlord under the terms of the relevant lease).

15.3 The Borrower shall procure that the Lender is named as co-insured with the Borrower on each Insurance Policy maintained by it or any person on its behalf in accordance with paragraph 15.1 of this Part 3 of Schedule 4 (or, where the Lender otherwise agrees in writing, that the Lender's interest is endorsed upon such policies) and that (i) the Lender is named as first loss payee on each such Insurance Policy and (ii) 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 and not to cancel it without giving at least 30 days' prior written notice to the Lender.

16. INSURANCE PREMIUMS

The Borrower:

- (a) 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
- (b) 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 Borrower is entitled to obtain from the landlord under the terms of the relevant lease).

17. NO INVALIDATION OF INSURANCE

The Borrower shall not do or omit to do or permit to be done or omitted anything that may invalidate or otherwise prejudice the Insurance Policies.

18. INSURANCE POLICIES' PROCEEDS

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

- (a) immediately be paid to the Lender;
- (b) if they are not paid directly to the Lender by the insurers, be held by the Borrower as trustee of the same for the benefit of the Lender (and the Borrower shall account for them to the Lender); and
- (c) at the option of the Lender be applied (i) in making good or recouping expenditure in respect of the loss or damage for which such monies are received or (ii) if the Lender so directs, in or towards discharge or reduction of the Secured Liabilities.

19. LEASES AND LICENCES AFFECTING THE PROPERTY

The Borrower shall not, without the prior written consent of the Lender which consent, in the case of paragraph 19(d), is not to be unreasonably withheld or delayed in circumstances in which the Borrower may not unreasonably withhold or delay its consent:

- (a) 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 lease) or of accepting (or agreeing to accept) surrenders under sections 99 or 100 of the LPA; or
- (b) 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
- (c) let any person into occupation of or share occupation of the whole or any part of the Property; or
- (d) grant any consent or licence under any lease or licence affecting the Property.

20. NO RESTRICTIVE OBLIGATIONS

The Borrower 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 whatever in or over the whole or any part of the Property.

21. PROPRIETARY RIGHTS

The Borrower 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.

22. COMPLIANCE WITH AND ENFORCEMENT OF COVENANTS

The Borrower shall:

- (a) 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
- (b) 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.

23. NOTICES OR CLAIMS RELATING TO THE PROPERTY

23.1 The Borrower shall:

- (a) 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 (a **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
- (b) (if the Lender so requires) immediately, and at the cost of the Borrower, 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.

23.2 The Borrower shall give full particulars to the Lender of any claim, notice or other communication served on the Borrower in respect of any modification, suspension or revocation of any Environmental Licence or any alleged breach of any Environmental Law.

24. PAYMENT OF RENT AND OUTGOINGS

The Borrower shall:

- (a) where the Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time; and
- (b) 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.

25. RENT REVIEWS

The Borrower:

- (a) 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
- (b) 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.

26. ENVIRONMENT

The Borrower shall:

- (a) properly discharge in all material respects all duties of care and responsibility placed upon it by Environmental Law and comply in all material respects with the terms of any Environmental Licences;
- (b) observe and perform in all material respects all the requirements of Environmental Law; and
- (c) apply for and obtain all Environmental Licences.

27. CONDUCT OF BUSINESS ON PROPERTY

The Borrower 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.

28. INSPECTION

The Borrower 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.

29. VAT OPTION TO TAX

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

- (a) exercise any VAT option to tax in relation to the Property; or
- (b) revoke any VAT option to tax exercised prior to and disclosed to the Lender in writing prior to the date of this legal mortgage.

Part 4. Rent covenants

30. COLLECTION OF AND DEALINGS WITH RENT

- 30.1 The Borrower shall not deal with the Rent except by getting it in and realising it in the ordinary and usual course of its business and shall, immediately on receipt, pay all Rent into the Rent Account or into such other account as the Lender may direct from time to time. The Borrower shall, pending such payment in, hold all Rent upon trust for the Lender.
- 30.2 The Borrower agrees with the Lender that any monies received by the Lender under paragraph 30.1 of this Part 4 of Schedule 4 shall not constitute the Lender as mortgagee in possession of the Property.
- 30.3 The Borrower agrees with the Lender that it shall not be entitled to receive, utilise, transfer or withdraw any credit balance from time to time on the Rent Account except with the prior written consent of the Lender.

31. NOTICE OF ASSIGNMENT OF RENT

The Borrower shall, if the Lender so requests at any time after the occurrence of an Event of Default, give notice to the relevant tenant, guarantor or surety of the assignment pursuant to clause 3.2.2 of the Borrower's rights and interest to the Rent and each guarantee or security in respect of the Rent and procure that each addressee of such notice promptly provides an acknowledgement of that notice to the Lender.

Schedule 5 Powers of the Lender

1. POWER TO REMEDY

- 1.1 The Lender shall be entitled, at any time, (but shall not be obliged) to remedy any breach of the Borrower's obligations under this legal mortgage. The Borrower 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 Borrower of any of its obligations contained in this legal mortgage shall be reimbursed by the Borrower to the Lender on a full indemnity basis and shall carry interest in accordance with clause 15.1.
- 1.2 In order to remedy any breach in accordance with paragraph 1.1 of this Schedule 5, the Lender, its agents and their respective officers, agents and employees shall be entitled, upon giving reasonable prior notice to the Borrower, to enter onto the Property and to take any such action as the Lender may reasonably consider necessary or desirable for protecting or preserving its security over the Charged Property, including, without limitation, carrying out any repairs, other works or development.

2. EXERCISE OF RIGHTS

The rights of the Lender under paragraph 1 of this Schedule 5 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

To the extent permitted by law, any right, power or discretion conferred by this legal mortgage on a Receiver may, after this legal mortgage has become enforceable, be exercised by the Lender in relation to any of the Charged Property without first appointing a Receiver or notwithstanding the appointment of a Receiver.

4. POWER TO DISPOSE OF CHATTELS

At any time after this legal mortgage has become enforceable, the Lender:

- 4.1 may dispose of any chattels or produce found on any Property as agent for the Borrower, and
- 4.2 without prejudice to any obligation to account for the proceeds of any sale of such chattels or produce, shall be indemnified by the Borrower against any liability arising from such disposal.

5. CONVERSION OF CURRENCY

Where the Borrower enters, or has entered, into the Loan Facility Agreement for the purposes of his business, trade or profession, the Lender may, for the purpose of, or pending the discharge of, any of the Secured Liabilities, convert any monies received, recovered or realised by the Lender under this legal mortgage (including the proceeds of any previous conversion under this paragraph 5) 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 Svenska Handelsbanken AB (publ) then prevailing spot selling rate of exchange for such other currency

against the existing currency. Each reference in this paragraph 5 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.

6. NEW ACCOUNTS

6.1 If, where the Borrower enters, or has entered, into the Loan Facility Agreement for the purposes of his business, trade or profession, 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 Borrower in the Lender's books. Without prejudice to the Lender's right to combine accounts, no money paid to the credit of the Borrower in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.

6.2 If, where the Borrower enters, or has entered, into the Loan Facility Agreement for the purposes of his business, trade or profession, the Lender does not open a new account immediately on receipt of the notice or deemed notice referred to in paragraph 6.1 of this Schedule 5, then, unless the Lender gives express written notice to the contrary to the Borrower, all payments made by the Borrower to the Lender, shall be treated as having been credited to a new account of the Borrower 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.

7. LENDER'S SET-OFF RIGHTS

If, where the Borrower enters, or has entered, into the Loan Facility Agreement for the purposes of his business, trade or profession, the Lender has more than one account for the Borrower in its books, the Lender may at any time after:

- (a) this legal mortgage has become enforceable; or
- (b) 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 Borrower of the transfer once made).

8. INDULGENCE

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 Borrower) 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 Borrower for the Secured Liabilities.

Schedule 6 Powers of a Receiver

9. POWER TO REPAIR AND DEVELOP THE PROPERTY

A Receiver may, provided that he is acting reasonably for the purposes of protecting, preserving or realising the security constituted by this legal mortgage, 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.

10. POWER TO GRANT OR ACCEPT SURRENDERS OF LEASES

A Receiver may, provided that he is acting reasonably for the purposes of protecting, preserving or realising the security constituted by this legal mortgage, 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.

11. POWER TO EMPLOY PERSONNEL AND ADVISERS

Provided that he is acting reasonably for the purposes of protecting, preserving or realising the security constituted by this legal mortgage, a Receiver may, for the purposes of exercising the powers conferred by this Schedule 6, provide services and employ, or engage, such managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers for such reasonable remuneration, 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 Borrower.

12. POWER TO MAKE AND REVOKE VAT OPTIONS TO TAX

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

13. POWER TO CHARGE FOR REMUNERATION

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.

14. POWER TO REALISE CHARGED PROPERTY

Provided that he is acting reasonably for the purposes of protecting, preserving or realising the security constituted by this legal mortgage, 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.

15. POWER TO MANAGE OR RECONSTRUCT THE BORROWER'S BUSINESS

Provided that he is acting reasonably for the purposes of protecting, preserving or realising the security constituted by this legal mortgage, 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 Borrower carried out at the Property.

16. POWER TO DISPOSE OF CHARGED PROPERTY

Provided that he is acting reasonably for the purposes of protecting, preserving or realising the security constituted by this legal mortgage, a Receiver may grant options and licences over all or any part of the Charged Property, 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.

17. POWER TO GIVE VALID RECEIPTS

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.

18. POWER TO MAKE SETTLEMENTS

Provided that he is acting reasonably for the purposes of protecting, preserving or realising the security constituted by this legal mortgage, a receiver may make any arrangement, settlement or compromise between the Borrower and any other person as he thinks fit.

19. POWER TO BRING PROCEEDINGS

Provided that he is acting reasonably for the purposes of protecting, preserving or realising the security constituted by this legal mortgage, 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.

20. POWER TO INSURE

Provided that he is acting reasonably for the purposes of protecting, preserving or realising the security constituted by this legal mortgage, a Receiver may, if he thinks fit, but without prejudice to the indemnity in clause 15.2, 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 Borrower under this legal mortgage.

21. POWERS UNDER LPA

A Receiver may exercise all powers provided for in the LPA.

22. POWER TO BORROW

Provided that he is acting reasonably for the purposes of protecting, preserving or realising the security constituted by this legal mortgage, a Receiver may, for any of the purposes authorised by this Schedule 6, 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).

23. POWER TO REDEEM PRIOR ENCUMBRANCES

Provided that he is acting reasonably for the purposes of protecting, preserving or realising the security constituted by this legal mortgage, a Receiver may redeem any prior Encumbrance, and the monies paid in redeeming such Encumbrance shall be recoverable as Costs of the Receiver.

24. POWER OF ABSOLUTE OWNER

Where the Borrower enters, or has entered, into the Loan Facility Agreement for the purposes of his business, trade or profession, 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.

25. INCIDENTAL POWERS

Provided that he is acting reasonably for the purposes of protecting, preserving or realising the security constituted by this legal mortgage, 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 6, and which he lawfully may or can do as agent for the Borrower.

Schedule 7 Notice details

The Borrower:

James Edwards Developments Limited
Edwards House
36a Talbot Road,
Talbot Green,
Pontyclun,
United Kingdom,
CF72 8AF

The Lender:

SPF Bridging Ltd
Avon House
435 Stratford Road
Solihull
Birmingham
West Midlands
United Kingdom
B90 4AA

Fax Number: 0121 746 3164

Signed as a deed by
JAMES EDWARDS
DEVELOPMENTS LIMITED

Acting by:

Director

IN THE PRESENCE OF:
(Signature of Witness)

NAME AND ADDRESS OF
WITNESS:

I hereby confirm that prior to the execution of this document, I was instructed by David John Calway Edwards of James Edwards Developments Limited to advise him as to its meaning and effect, I explained its contents and effect to him and he informed me that he understood the same.

Dated

Signed:.....

Solicitor
(office stamp)

Insight Law
Second Floor
Unit G Copse Walk
Cardiff Gate Business Park
Cardiff
CF23 8PB

10