



**Registration of a Charge**

Company name: **PARK DESIGN LIMITED**

Company number: **11401053**



X9KC6JV7

Received for Electronic Filing: **21/12/2020**

---

**Details of Charge**

Date of creation: **18/12/2020**

Charge code: **1140 1053 0005**

Persons entitled: **MERCHANT MONEY SPV C LTD**

Brief description: **ALL THAT FREEHOLD PROPERTY KNOWN OR BEING LAND LYING TO THE SOUTH WEST OF STONEYFORD ROAD, SUTTON IN ASHFIELD, REGISTERED AT THE LAND REGISTRY WITH TITLE NUMBER NT69386.**

**Contains fixed charge(s).**

**Contains negative pledge.**

---

**Authentication of Form**

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

---

**Authentication of Instrument**

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **WRIGHT HASSALL LLP**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 11401053

Charge code: 1140 1053 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 18th December 2020 and created by PARK DESIGN LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 21st December 2020 .

Given at Companies House, Cardiff on 22nd December 2020

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**

18 December 2020

**PARK DESIGN LIMITED**

and

**MERCHANT MONEY SPV C LTD**

1. *Journal of the American Medical Association*, 2000; 283: 2686-2692.

## LEGAL MORTGAGE

**Land lying to the South West of Stoneyford Road, Sutton in Ashfield**

Wright Hassall LLP  
Olympus Avenue  
Leamington Spa  
Warwickshire  
CV34 6BF

Tel: 01926 886688  
Fax: 01926 885588  
Email: [email@wrythassall.co.uk](mailto:email@wrythassall.co.uk)

## CONTENTS

---

### CLAUSE

1.	Interpretation	1
2.	Covenant to pay	4
3.	Grant of security	4
4.	Perfection of security	4
5.	Liability of the Mortgagor	5
6.	Representations and warranties	5
7.	Covenants	5
8.	Powers of Merchant Money	6
9.	Enforcement of security	6
10.	Costs	6
11.	Release	6
12.	Assignment and transfer	6
13.	Continuing security	7
14.	Power of attorney	7
15.	Counterparts	8
16.	Notices	8
17.	Governing law	9
18.	Jurisdiction	9
19.	Third party rights	9
20.	Agency	9

### SCHEDULE

Schedule 1	Representations and warranties	11
1.	Binding Obligations	11
2.	Ownership of Property	11
3.	No Encumbrances	11
4.	Adverse claims	11
5.	Adverse covenants	11
6.	No breach of laws	11
7.	No interference in enjoyment	11
8.	No overriding interests	12
9.	Avoidance of security	12
10.	No prohibitions or breaches	12
Schedule 2	Covenants	13
Part 1	General covenants	13
1.	Negative pledge and disposal restrictions	13
2.	Notification of Default	13
3.	Preservation of Property	13

4.	Enforcement of rights	13
5.	Compliance with laws	13
6.	Notice of breaches	13
Part 2	Property covenants	14
1.	Repair and maintenance	14
2.	No alterations	14
3.	Development restrictions	14
4.	Insurance	14
5.	Insurance premiums	15
6.	No invalidation of insurance	15
7.	Insurance Policies' proceeds	15
8.	Leases and licences affecting the Property	15
9.	No restrictive obligations	16
10.	Proprietary rights	16
11.	Compliance with and enforcement of covenants	16
12.	Notices or claims relating to the Property	16
13.	Payment of rent and outgoings	17
14.	Rent reviews	17
15.	Inspection	17
16.	VAT option to tax	17
17.	Notice of assignment of Rent	17
Schedule 3	Powers of Merchant Money	19
1.	Power to remedy	19
2.	Exercise of rights	19

THIS DEED is dated

18 December

2020

## PARTIES

- (1) **PARK DESIGN LIMITED** incorporated and registered in England and Wales with company number 11401053 whose registered office is at 1 Derby Road, Nottingham, NG16 3PA (the **Mortgagor**).
- (2) **MERCHANT MONEY SPV C LTD** a company incorporated in England and Wales with company number 12658295, whose registered office is at Carlton House 5 High Street, Higham Ferrers, Rushden, Northamptonshire, NN10 8BW (**Merchant Money**).

## BACKGROUND

- (A) Merchant Money has agreed, pursuant to the Agreement, to provide finance on a secured basis either to the Mortgagor (or, where the Mortgagor is comprised of two or more individuals, to some of them), or to the Borrower and in respect of whose liabilities thereunder the Mortgagor may have agreed to grant a guarantee in favour of Merchant Money (a **Guarantee**).
- (B) The Mortgagor is the owner of the Property (where the Mortgagor is comprised of two or more individuals, holding either as tenants in common or as joint tenants).
- (C) Under this deed, the Mortgagor provides security to Merchant Money.

## AGREED TERMS

### 1. INTERPRETATION

#### 1.1 Definitions

The following definitions and rules of interpretation apply in this mortgage:

**Agreement:** the one or more finance agreements dated on or around the date of this Agreement between (1) the Mortgagor (or, where the Mortgagor is comprised of two or more individuals, some of them) or the Borrower, and (2) Merchant Money for the provision of a merchant cash advance and/or business term loan on a secured basis.

**Borrower:** where that person is not the Mortgagor, the person to whom Merchant money makes available pursuant to the Agreement a merchant cash advance and/or business term loan that is intended to be secured by this deed.

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

**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.

**Facility:** the facility made available to the Borrower on a secured basis under the Loan Agreement.

**Guarantee:** has the meaning given to that expression in Recital (A).

**Loan Agreement:** one or more finance agreements dated on or around the date of this deed for the provision of the merchant cash advance and/or a business term loan on a secured basis.

**LPA 1925:** the Law of Property Act 1925.

**Permitted Security:** none.

**Property:** means the registered freehold property owned by the Mortgagor and known as or being Land lying to the South West of Stoneyford Road, Sutton in Ashfield registered at the Land Registry under Title Number NT69386.

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

**Secured Liabilities:** all present and future monies, obligations and liabilities of the Mortgagor (or, where the Mortgagor is comprised of two or more individuals, some of them) or the Borrower to Merchant Money, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, (including under or in connection with the Agreement, any Guarantee or this deed), together with all interest (including, without limitation, default interest) accruing in respect of those monies, obligations or liabilities.

**Security Period:** the period starting on the date of this 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.

**Termination Event:** has the meaning given to that expression in the Agreement or, if applicable, to the expression "Event of Default" in the Agreement.

**VAT:** value added tax chargeable under the Value Added Tax Act 1994.

## 1.2 Interpretation

- 1.2.1 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.2.2 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.2.3 A reference to laws in general is a reference to all local, national and directly applicable supra-national laws as amended, extended or re-enacted from time to time and shall include all subordinate laws made from time to time under them and all orders, notices, codes of practice and guidance made under them.
- 1.2.4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.

- 1.2.5 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
- 1.2.6 Unless the context otherwise requires, references to clauses and Schedules are to the clauses and Schedules of this mortgage and references to paragraphs are to paragraphs of the relevant Schedule.
- 1.2.7 A reference to **this mortgage** (or any provision of it) or to any other agreement or document referred to in this mortgage is a reference to this legal mortgage, that provision or that agreement or document as it is in force for the time being and as amended in accordance with its terms or with the agreement of the relevant parties.
- 1.2.8 A reference to a **person** includes a natural person, corporate or unincorporated body, or any state or any agency of any person.
- 1.2.9 A reference to an amendment includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly).
- 1.2.10 Clause, Schedule and paragraph headings shall not affect the interpretation of this mortgage.
- 1.2.11 A reference in this mortgage to a charge or mortgage of, or over, the Property includes:
- (a) all buildings and fixtures and fittings which are situated on, or form part of, the Property at any time;
  - (b) 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;
  - (c) the benefit of any covenants for title given, or entered into, by any predecessor in title of the Mortgagor in respect of the Property and any monies paid or payable in respect of those covenants; and
  - (d) all rights under any licence, agreement for sale or agreement for lease in respect of the Property.
- 1.2.12 For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of all documents and any side letters between any parties in relation to the Facility are incorporated into this mortgage.
- 1.2.13 The Schedules form part of this mortgage and shall have effect as if set out in full in the body of this mortgage. Any reference to this mortgage includes the Schedules.

### 1.3 **Clawback**



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

**2. COVENANT TO PAY**

The Mortgagor shall, on demand, pay to Merchant Money and discharge the Secured Liabilities when due (including following the occurrence of a Termination Event).

**3. GRANT OF SECURITY**

**3.1 Legal mortgage**

As a continuing security for the payment and discharge of the Secured Liabilities, the Mortgagor charges the Property, with full title guarantee, to Merchant Money by way of a legal mortgage.

**3.2 Assignment**

As a continuing security for the payment and discharge of the Secured Liabilities, the Mortgagor with full title guarantee assign to Merchant Money absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities, the Rent and the benefit of any guarantee or security in respect of the Rent, provided that nothing in this clause 3.2 shall constitute Merchant Money as mortgagee in possession.

**4. PERFECTION OF SECURITY**

**4.1 Restriction**

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

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction is to be registered without a written consent signed by the proprietor for the time being of the charge dated [DATE] in favour of Merchant Money SPV C Ltd referred to in the charges register or its conveyancer."

**4.2 Further advances**

**4.3 Merchant Money covenants with the Mortgagor that it shall perform its obligations to make advances in respect of the Facility (including any obligation to make available further advances).**

**4.4 Consent to noting**

The Mortgagor consents to notice of the security created by this deed being noted against its registered title to the Property.

**4.5 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 Mortgagor's title to the Property, the Mortgagor shall immediately provide Merchant Money 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 deed, the Mortgagor shall immediately, and at its own expense, take such steps as Merchant Money may require to ensure that the caution or notice, as applicable, is withdrawn or cancelled.

**5. LIABILITY OF THE MORTGAGOR**

**5.1 Liability not discharged**

The Mortgagor's liability under this deed 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, Merchant Money that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- 5.1.2 Merchant Money 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 that, but for this clause 5.1 might have discharged, or otherwise prejudiced or affected, the liability of the Mortgagor.

**5.2 Immediate recourse**

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

**6. REPRESENTATIONS AND WARRANTIES**

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

**7. COVENANTS**

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

8. **POWERS OF MERCHANT MONEY**

Merchant Money shall have the powers set out in Schedule 3.

9. **ENFORCEMENT OF SECURITY**

9.1 **When security becomes enforceable**

The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this mortgage) shall, as between Merchant Money and a purchaser from Merchant Money, arise on and be exercisable at any time after the execution of this mortgage, but the Lender shall not exercise such power of sale or other powers until a Termination Event occurs (whether or not such a Termination Event is still continuing) whereupon it shall become immediately exercisable.

9.2 **When statutory powers arise**

Section 103 of the LPA 1925 (restricting the power of sale) does not apply to the security constituted by this mortgage.

10. **COSTS**

The Mortgagor shall pay to, or reimburse Merchant Money on demand, on a full indemnity basis, all costs and liabilities incurred by Merchant Money, in relation to the drafting, negotiation and execution of this mortgage, the maintenance of the security constituted by this mortgage and the suing for, or recovering, any of the Secured Liabilities, including, without limitation, costs arising from any enforcement of Merchant Money's rights under this mortgage; or costs incurred in or suffered by any default or delay by the Mortgagor in performing any of its obligations under this mortgage.

11. **RELEASE**

On the expiry of the Security Period (but not otherwise), Merchant Money shall, at the request and cost of the Mortgagor, take whatever action is necessary to release the Property from the security constituted by this mortgage.

12. **ASSIGNMENT AND TRANSFER**

12.1 **Assignment by Merchant Money**

Merchant Money may assign or transfer the whole or any part of Merchant Money's rights and/or obligations under this mortgage to any person.

12.2 **Assignment by the Mortgagor**

The Mortgagor may not assign any of its rights, or transfer any of its obligations, under this mortgage or enter into any transaction which would result in any of those rights or

obligations passing to another person, in each case without prior written consent of Merchant Money.

### **13. CONTINUING SECURITY**

#### **13.1 Continuing security**

This mortgage shall remain in full force and effect as a continuing security for the Secured Liabilities unless and until Merchant Money discharges this mortgage in writing.

#### **13.2 Rights cumulative**

The rights and remedies of Merchant Money provided under this mortgage are cumulative, may be exercised as often as Merchant Money considers appropriate, and are in addition to, and not exclusive of, any rights and remedies provided by law.

#### **13.3 Waivers**

Any waiver of any right or remedy by Merchant Money under this mortgage or by law is only effective if given in writing and signed by Merchant Money and shall not be deemed a waiver of any other breach or default. It applies only in the circumstances for which it is given, and shall not prevent Merchant Money from subsequently relying on the relevant provision.

#### **13.4 Further exercise of rights**

No act or course of conduct or negotiation by or on behalf of Merchant Money shall, in any way, preclude Merchant Money from exercising any right or power under this mortgage or constitute a suspension or variation of any such right or power.

#### **13.5 Delay**

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

### **14. POWER OF ATTORNEY**

By way of security, either Mortgagor irrevocably appoints Merchant Money, any receiver of Merchant Money and any delegate of either Merchant Money or a receiver separately to be his or her attorney and, in his or her name, on his/her behalf and as his or her act and deed, to execute any documents and do any acts and things that:

14.1.1 he or she is required to execute and do under this deed; or

14.1.2 any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this deed or by law on Merchant Money, any receiver or any delegate.

15. **COUNTERPARTS**

- 15.1 This mortgage may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute the deed.
- 15.2 Transmission of an executed counterpart of this mortgage (but for the avoidance of doubt not just a signature page) by fax or email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this mortgage. If this method of delivery is adopted, without prejudice to the validity of the mortgage thus made, each party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.
- 15.3 No counterpart shall be effective until each party has executed and delivered at least one counterpart.

16. **NOTICES**

- 16.1 Any notice or other communication given under, or in connection with, this mortgage must be in writing.
- 16.2 Any notice or other communication given or delivered under this mortgage must be:
- 16.2.1 delivered by hand;
- 16.2.2 sent by pre-paid first-class post or other next working day delivery service.
- 16.3 Any notice or other communication to be given or delivered under this mortgage must be sent to the relevant party as follows:
- 16.3.1 to the Mortgagor at:
- 1 Derby Road, Nottingham, NG16 3PA
- marked for the attention of: Sanjeev Singh Johal;
- 16.3.2 to Merchant Money at:
- 1-3 Canfield Place, London NW6 3BT
- marked for the attention of: Jonathan Stern,
- or as otherwise specified by the relevant party by notice in writing to each other party.
- 16.4 Any notice or other communication that Merchant Money gives to the Mortgagor under, or in connection with, this mortgage will be deemed to have been received:
- 16.4.1 if delivered by hand, at the time it is left at the relevant address; and

- 16.4.2 if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting.
- 16.5 A notice or other communication given as described in clause 16.4.1 on a day which is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.
- 16.6 Any notice or other communication given to Merchant Money shall be deemed to have been received only on actual receipt.
- 16.7 A notice or other communication given under or in connection with this mortgage is not valid if sent by e-mail or fax.
- 16.8 This clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

17. **GOVERNING LAW**

This 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.

18. **JURISDICTION**

Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this deed or its subject matter or formation (including non-contractual disputes or claims). Nothing in this clause shall limit the right of Merchant Money to take proceedings against the Mortgagor in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

19. **THIRD PARTY RIGHTS**

A person who is not a party to this mortgage shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this mortgage.

20. **AGENCY**

In exercising its rights and discharging its obligations under this mortgage Merchant Money acts through Merchant Money Ltd (a limited liability company incorporated and registered in England and Wales with company number 4504897 whose registered office is at Carlton House, High Street, Higham Ferrers, Northamptonshire, NN10 8BW) and its employees and agents, in each case acting as agent on behalf of Merchant Money, and the Mortgagor agrees to deal with any such person for such purposes, and that any exercise by any such person of any right, and any discharge by any such person of any

obligation, of Merchant Money under this deed shall be a valid exercise or discharge (as the case may be).

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 REPRESENTATIONS AND WARRANTIES**

### **1. BINDING OBLIGATIONS**

#### **1.1 This mortgage creates:**

1.1.1 valid, legally binding and enforceable Security for the obligations expressed to be secured by it; and

1.1.2 subject to registration at the Land Registry, perfected Security over the assets expressed to be subject to security in it,

in favour of Merchant Money, having the priority and ranking expressed to be created by this mortgage and ranking ahead of all (if any) Security other than the Permitted Security.

### **2. OWNERSHIP OF PROPERTY**

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

### **3. NO ENCUMBRANCES**

The Property is free from any Encumbrances other than the Permitted Security and the Encumbrance created by this mortgage.

### **4. ADVERSE CLAIMS**

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

### **5. ADVERSE COVENANTS**

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

### **6. NO BREACH OF LAWS**

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

### **7. NO INTERFERENCE IN ENJOYMENT**

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



8. **NO OVERRIDING INTERESTS**

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

9. **AVOIDANCE OF SECURITY**

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

10. **NO PROHIBITIONS OR BREACHES**

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

## **SCHEDULE 2 COVENANTS**

### **Part 1 General covenants**

#### **1. NEGATIVE PLEDGE AND DISPOSAL RESTRICTIONS**

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

1.1.1 create or permit any Encumbrance on, or in relation to, the Property other than any Encumbrance created by this mortgage;

1.1.2 sell, assign, transfer, part with possession of or otherwise dispose of in any manner all or any part of, or any interest in, the Property; or

1.1.3 create or grant any interest in the Property in favour of a third party,

other than, in each case, pursuant to the Permitted Security.

#### **2. NOTIFICATION OF DEFAULT**

The Mortgagor shall notify Merchant Money of any Termination Event (and the steps, if any, being taken to remedy it) promptly on becoming aware of its occurrence.

#### **3. PRESERVATION OF PROPERTY**

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

#### **4. ENFORCEMENT OF RIGHTS**

The Mortgagor shall use its reasonable endeavours to enforce any rights and start, continue or defend any proceedings relating to any of the Property which Merchant Money may require from time to time.

#### **5. COMPLIANCE WITH LAWS**

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

#### **6. NOTICE OF BREACHES**

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

6.1.1 any representation or warranty set out in Schedule 1; and

6.1.2 any covenant set out in Schedule 2.

## **Part 2 Property covenants**

### **1. REPAIR AND MAINTENANCE**

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

### **2. NO ALTERATIONS**

2.1 The Mortgagor shall not, without the prior written consent of Merchant Money:

2.1.1 pull down or remove the whole or any part of any building forming part of the Property nor permit the same to occur; or

2.1.2 make or permit to be made any 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 1 of this Part 2 of Schedule 2).

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

### **3. DEVELOPMENT RESTRICTIONS**

The Mortgagor shall not, without the prior written consent of Merchant Money:

3.1.1 make or, in so far as it is able, permit others to make any application for planning permission or development consent in respect of the Property; or

3.1.2 carry out or permit or allow any development, as defined in each of the Town and Country Planning Act 1990 and the Planning Act 2008, to be carried out on the Property or change or permit or allow the use of the Property to be changed.

### **4. INSURANCE**

4.1 The Mortgagor shall insure and keep insured (or where insurance is the responsibility of the landlord under the terms of the lease, procure that the landlord insures and keeps insured) the Property against fire, explosion, lightning, earthquake, storm, flood, bursting and overflowing of water tanks, apparatus or pipes, escape of water or oil, impact by aircraft and articles dropped from them, impact by vehicles, riot, civil commotion, malicious damage, theft or attempted theft, falling trees and branches and aerials, subsidence, heave, landslip, collision, accidental damage to underground services, public liability to

anyone else and any other risks which Merchant Money reasonably requires to be insured against from time to time.

- 4.2 The Mortgagor shall, if requested by Merchant Money, produce to Merchant Money the policy, certificate or cover note relating to any such insurance required by paragraph 4.1 of this Part 2, Schedule 2 (or where such insurance is effected by the landlord, such evidence of insurance as the Mortgagor is entitled to obtain from the landlord under the terms of the relevant lease).

**5. INSURANCE PREMIUMS**

The Mortgagor:

- 5.1.1 shall promptly pay all premiums in respect of any insurance policy on the Property and do all other things necessary to keep such policy in full force and effect; and
- 5.1.2 shall (if Merchant Money so requires) produce to Merchant Money the receipts for all premiums and other payments necessary for effecting and keeping up the insurance policies (or where, in the case of leasehold property, insurance is effected by the landlord, such evidence of the payment of premiums as the Mortgagor is entitled to obtain from the landlord under the terms of the relevant lease).

**6. NO INVALIDATION OF INSURANCE**

The Mortgagor shall not do or omit to do or permit to be done or omitted anything that may invalidate or otherwise prejudice any insurance policies relating to the Property.

**7. INSURANCE POLICIES' PROCEEDS**

All monies payable under any of the insurance policies relating to the Property at any time (whether or not the security constituted by this mortgage has become enforceable) shall:

- 7.1.1 immediately be paid to Merchant Money; or
- 7.1.2 if they are not paid directly to Merchant Money by the insurers, be held, pending such payment, by the Mortgagor upon trust for Merchant Money.

**8. LEASES AND LICENCES AFFECTING THE PROPERTY**

The Mortgagor shall not, without the prior written consent of Merchant Money, 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) in respect of the Property, let any person into occupation of or share occupation of the whole or any part of the Property, where the relevant interest in the Property granted, or to be granted, by the Mortgagor:

8.1.1 is not an assured shorthold tenancy within the regime laid down by the Housing Act 1988;

8.1.2 features rentals that are (in the view of Merchant Money, acting reasonably) significantly below the normal market rental for a property of that nature; or

8.1.3 is for less than 6 months' or more than 3 years' duration,

other than where such interest subsists as at the date of this mortgage (in which case any extension, renewal or other amendment or supplement thereof or thereto shall constitute the grant of a new such interest for the purposes of this provision).

9. **NO RESTRICTIVE OBLIGATIONS**

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

10. **PROPRIETARY RIGHTS**

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

11. **COMPLIANCE WITH AND ENFORCEMENT OF COVENANTS**

The Mortgagor shall:

11.1.1 observe and perform all covenants, stipulations and conditions to which the Property, or the use of it, is or may be subject and (if Merchant Money so requires) produce to Merchant Money evidence sufficient to satisfy Merchant Money that those covenants, stipulations and conditions have been observed and performed; and

11.1.2 diligently enforce all covenants, stipulations and conditions benefiting the Property and shall not (and shall not agree to) waive, release or vary any of the same.

12. **NOTICES OR CLAIMS RELATING TO THE PROPERTY**

The Mortgagor shall:

12.1.1 give full particulars to Merchant Money of any notice, application or requirement 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

12.1.2 if Merchant Money so requires, immediately, and at the cost of the Mortgagor, take all reasonable and necessary steps to comply with any Notice, and make, or join with Merchant Money in making, such objections or representations in respect of any such Notice as Merchant Money may desire.

**13. PAYMENT OF RENT AND OUTGOINGS**

The Mortgagor shall:

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

13.1.2 pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments and other outgoings relating to or imposed upon the Property or on its occupier.

**14. RENT REVIEWS**

The Mortgagor:

14.1.1 shall, if the Property is subject to occupational leases or licences, implement any upwards rent review provisions and shall not, without the prior written consent of Merchant Money, agree to any change in rent to less than the open market rental value of the relevant part of the Property; and

14.1.2 shall not, without the prior written consent of Merchant Money, if the Property is leasehold, agree to any change in the rent payable under the lease in excess of the open market rental value and shall only agree to any upwards rent review in accordance with the terms of the lease.

**15. INSPECTION**

The Mortgagor shall permit Merchant Money and any person appointed by them to enter on and inspect the Property on reasonable prior notice.

**16. VAT OPTION TO TAX**

The Mortgagor shall not, without the prior written consent of Merchant Money:

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

16.1.2 revoke any VAT option to tax exercised prior to and disclosed to Merchant Money in writing prior to the date of this mortgage.

**17. NOTICE OF ASSIGNMENT OF RENT**

The Mortgagor shall, promptly following the occurrence of a Termination Event, give notice to the relevant tenant, Mortgagor or surety of the assignment under clause 3.2 of the

Mortgagor'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 3 POWERS OF MERCHANT MONEY**

#### **1. POWER TO REMEDY**

- 1.1 Merchant Money shall be entitled (but shall not be obliged) to remedy a breach at any time by the Mortgagor of any of its obligations contained in this mortgage. Any monies expended by Merchant Money in remedying a breach by the Mortgagor of any of its obligations contained in this mortgage shall be reimbursed by the Mortgagor to Merchant Money on a full indemnity basis.
- 1.2 In remedying any breach in accordance with paragraph 1.1 of this Schedule 3, Merchant Money and its agents shall be entitled to enter onto the Property and to take any action as Merchant Money may reasonably consider necessary or desirable including, without limitation, carrying out any repairs or other works.

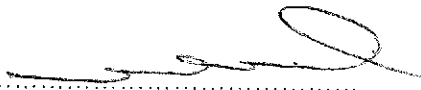
#### **2. EXERCISE OF RIGHTS**

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

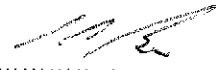


**Mortgagor**

Executed as a deed by **PARK DESIGN LIMITED** acting by a director in the presence of:

  
.....  
Director

Signature of witness:

  
.....

Name of witness:

Occupation of witness:

Address of witness:

Stephen Jones, Solicitor  
Banner Jones  
Corner House  
Union Street  
Mansfield  
Nottinghamshire  
NG18 1TP  
Tel: 01623 675800

**Merchant Money**

Executed as a deed by **MERCHANT  
MONEY SPV C LTD** acting by a  
director in the presence of:

.....  
Director

Signature of witness: .....

Name of witness: .....

Occupation of witness: .....

Address of witness: .....

.....  
.....  
.....  
.....