



Registration of a Charge

Company name: **Carr's Flour Mills Limited**

Company number: **00480341**



X5FD5KI2

Received for Electronic Filing: **12/09/2016**

Details of Charge

Date of creation: **04/09/2016**

Charge code: **0048 0341 0006**

Persons entitled: **HSBC EQUIPMENT FINANCE (UK) LIMITED**

Brief description: **THE PROPERTY KNOWN AS 11 TO 17 (ODD) STATION ROAD AND LAND ON THE SOUTH SIDE OF STATION ROAD, MALDON REGISTERED AT HM LAND REGISTRY WITH TITLE NUMBER EX588430 AND THE UNREGISTERED LAND KNOWN AS CARR'S FLOUR MILLS, SILLOTH, WIGTON CA7 4AJ MORE PARTICULARLY DESCRIBED IN THE INSTRUMENT.**

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 SAVE FOR MATERIAL REDACTED PURSUANT TO S. 859G OF THE COMPANIES ACT 2006 THE ELECTRONIC**

**COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION
FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

ADDLESHAW GODDARD LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 480341

Charge code: 0048 0341 0006

The Registrar of Companies for England and Wales hereby certifies that a charge dated 4th September 2016 and created by Carr's Flour Mills Limited was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 12th September 2016 .

Given at Companies House, Cardiff on 13th September 2016

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**

THIS LEGAL MORTGAGE dated the 4th day of September 2016

BETWEEN

Mortgagor: Carr's Flour Mills Limited (registered in England Company Number 00480341 ("you") whose registered address is: Old Croft, Stanwix, Carlisle CA3 9BA

And

HSBC Equipment Finance (UK) Limited (registered in England Company Number 01503727) ("HSBC"), whose address for service for entry on the register is: Securities Department, 1st Floor Wing, 12 Calthorpe Road, Edgbaston, Birmingham B15 1HS

to secure the Debt of Borrower: Whitworth Bros. Limited (registered in England Company Number 0465899 ("Borrower", which shall additionally have the meaning set out in paragraph 3 of the Conditions) whose registered address is: Victoria Mills, Wellingborough, Northampton NN8 2DT

WITNESSES that this Mortgage which incorporates the mortgage deed conditions set out in Annex 1 to this Mortgage ("the Conditions") is given by you over the Property and other assets to secure the Debt.

The Property and other assets and the Debt are described and defined below and in the Conditions.

The Main Subject Matter of this Mortgage

1. The Property and the other assets

With full title guarantee, you, and if there is more than one of you, each of you, charge by way of legal mortgage the freehold property referred to in Annex 2 to this Mortgage and (as appropriate) charge by way of fixed charge, assign and transfer to HSBC as continuing security for the payment and discharge of the Debt (and each and every part of it):

- (a) the benefit of all rights, licences, guarantees, rent deposits, contracts, deeds, undertakings and warranties relating to the Property;
- (b) any shares or membership rights mentioned in paragraph 4 of the Conditions;
- (c) any goodwill of any business from time to time carried on at the Property;
- (d) any rental and other money payable under any lease, licence, or other interest created in respect of the Property; and
- (e) any other payments whatever in respect of the Property, for example, payments from any insurance policy or any compensation money.

HSBC agrees to release, re-assign or transfer back the above assets when the Debt has been repaid in full and HSBC is no longer under an obligation to provide any loan, credit, financial accommodation or other facility to the Borrower.

2. The Debt which is secured on the Property and other assets

The Debt ("the Debt") is:

- (a) all money and liabilities whatever, whenever and however incurred, whether with or without your knowledge or consent and whether now or in the future due, or becoming due, from the Borrower to HSBC in any currency or currencies, whether actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety, including but not limited to:
 - (i) overdrafts, personal and other loans or facilities and further advances of money;
 - (ii) guarantees and indemnities to HSBC and any of the Borrower's other contingent liabilities;
 - (iii) discount, commission and other lawful charges and expenses;
 - (iv) interest on the total amount mentioned above in accordance with any agreement between the Borrower and HSBC and, if there is no agreement, interest on any money and liabilities due from the Borrower at an annual rate of 3% above the Bank of England base rate from time to time computed.

and compounded monthly and/or according to HSBC's then current practice. Interest as above applies before and after any demand or judgment;

- (b) money agreed to be paid by you under paragraph 27 of the Conditions;
- (c) any amount due under paragraph 36 of the Conditions.

The Debt is not any money and liabilities arising under a regulated consumer credit agreement falling within Part V of the Consumer Credit Act 1974, unless agreed between the Borrower and HSBC.

If there is more than one person named as Borrower, this Mortgage will secure the Debt of them together and each of them individually an all or any of them with any other person.

3. Restriction

You, and if there is more than one of you, each of you, consent to an application being made to the Chief Land Registrar for the registration of a restriction on the register of title of the Property.

Annex 1

Mortgage Deed Conditions

HSBC Equipment Finance (UK) Ltd

MORTGAGE DEED CONDITIONS

HSBC Equipment Finance (UK) Ltd Mortgage Deed Conditions

Your agreement with HSBC Equipment Finance (UK) Ltd for your facilities consists of the Mortgage which you sign and which incorporates these Mortgage Deed Conditions

Where the Debt is in your name, your agreement with HSBC Equipment Finance (UK) Ltd for your Debt will also be set out in the documentation for the offer of facilities made to you (as the same may be varied, supplemented or replaced from time to time).

Interpretation

- 1
 - (a) "Act" means the Law of Property Act 1925.
 - (b) "Assets" means anything and everything charged, assigned or transferred by the Mortgage as described in clause 1 of the Mortgage (and for the avoidance of doubt includes the Property).
 - (c) "Borrower" (which shall additionally have the meaning set out in paragraph 3 of these Conditions) means all and any person (if any) named in the Mortgage as the borrower.
 - (d) "Conditions" means these Mortgage Deed Conditions.
 - (e) "Debt" means the Debt as defined in clause 2 of the Mortgage.
 - (f) "Mortgage" means the deed of legal mortgage entered into by you in favour of HSBC which incorporates these Conditions.
 - (g) "Property" means the whole or any part of the property referred to in Annex 2 of the Mortgage (including all buildings, fixtures and fittings on the Property now, or at any time after the date of the Mortgage) and any interest that you have in the Property or the sale proceeds of it.
 - (h) "HSBC" means HSBC Equipment Finance (UK) Ltd and any person who is entitled at any future date to exercise all or any of HSBC's rights under the Mortgage.
 - (i) "you" means the person signing the Mortgage. Words such as "your" and "yours" should be read in this way. If there is more than one of you, the Mortgage applies to each of you individually as well as jointly. This means that if all or any of you fail to comply with any of the obligations under this Mortgage, HSBC may enforce the obligations under the Mortgage against all or any of you.
- 2 In the Mortgage:
 - (a) the headings are used for guidance only;
 - (b) any reference to a person includes a body corporate;
 - (c) any reference to any statute, or any section of any statute, includes reference to any amendment, re-enactment or replacement of it for the time being in force;
 - (d) references to the singular include the plural and vice versa.

The Borrower

- 3 If the Borrower comprises a partnership or trustees of a trust the Borrower includes all persons from time to time being partners in that partnership or from time to time being trustees of that trust even though there may be:
 - (i) any change in constitution or name of that partnership or trust;
 - (ii) any amalgamation with any other person; or
 - (iii) any death, retirement or addition to any of the partners or trustees.

Companies

- 4 If you are a member of, or hold shares in, a limited company which has an interest in the Property (for example, a management company or a Commonhold Association), you must deposit any share or membership certificate(s) with HSBC together with a corresponding undated, signed share or membership transfer form(s). This will enable HSBC to ensure that any future purchaser of the Property can become a member of any such limited company.

What you agree in relation to the Property

Insuring the Property

- 5 You must insure the Property and (in the case of business premises) any plant and machinery on it against all usual risks with an insurer to its full replacement value and in accordance with any specific requirements HSBC has separately notified to you where applicable, as follows:
- (a) the policy must remain in force until the Mortgage is released;
 - (b) you must pay all premiums immediately they become due;
 - (c) you must inform the insurer, and ask them to note on the policy, the interest of HSBC or, if HSBC reasonably requires, the policy must be held in the joint names of you and HSBC;
 - (d) if HSBC requires, you will produce to, or deposit with, HSBC the policy and the receipts for all premiums and other payments made under the insurance;
 - (e) you must not do anything which adversely affects any insurance or which may increase the premium.
- 6 You agree that all money at any time payable under any policy must be paid to HSBC, or where it is not paid to HSBC, will be held on trust for HSBC. You agree that you will instruct HSBC to use the money either to:
- (a) make good the insured damage as required to ensure that there is no reduction in the value of the Property; or
 - (b) pay off or reduce the Debt; or
 - (c) a combination of both (a) and (b).

If you do not give an instruction within a period of one month of a request by HSBC, HSBC may, acting reasonably, elect which of the above options should be adopted. If HSBC receives insurance money, it will hold this money in an account in the joint names of you and HSBC until HSBC receives instructions from you or makes an election in accordance with this paragraph.

- 7 You must notify HSBC as soon as possible following any event leading to, or likely to lead to, a claim on any policy of insurance relating to the Property.

Looking after the Property

- 8
- (a) You must put and keep the Property and any plant and machinery on it in good repair and condition.
 - (b) You must not neglect the Property or do anything else to reduce its value.
 - (c) You must not, without HSBC's written consent:
 - (i) pull down or remove the whole or any part of any building or remove or detach any fixture or fitting; or
 - (ii) remove or detach any plant or machinery which belongs to, or is used by, you at the Property (except for replacement or repair).
 - (d) If you, or anyone else, removes or detaches any fixture, fitting, plant or machinery or, if any is destroyed or damaged, you must immediately replace or repair it with one of the same or better quality where not doing so would reduce the value of the Property.
 - (e) Nothing in this paragraph requires you to make good damage which is insured where HSBC has received and applied the insurance proceeds other than in making good that damage.

Use of the Property

- 9
- (a) You must not, without HSBC's written consent:
 - (i) carry out any development that requires planning permission from your local planning authority; and/or
 - (ii) make or allow any change of use from the use authorised by the local planning authority for the Property as at the date of the Mortgage.
 - (b) You must carry on any trade or business carried on at the Property in accordance with standards of good management current from time to time in the trade or business and in accordance with the use authorised by the local planning authority for the Property.
 - (c) You must carry on any agricultural use of the Property in accordance with standards of good farming current from time to time.

Your other responsibilities

- 10
- (a) You must comply with all obligations affecting the Property from time to time.
 - (b) You must immediately pay all rent, service and other charges and comply with all obligations under any lease of, or Commonhold Community Statement affecting, the Property.
 - (c) You must comply with all statutory and other regulations affecting the Property.

- (d) If HSBC reasonably requires, you must produce evidence sufficient to satisfy HSBC that you have complied with (a),(b) and (c) above.
- (e) If you receive or become aware of any notice or proposal affecting the Property or its neighbourhood:
 - (i) you must inform HSBC immediately; and
 - (ii) if HSBC reasonably requires, you must at your own cost either take all reasonable and necessary steps to comply with the notice or proposal or join with HSBC in making objections or representations.

Inspection and valuation of the Property

- 11 You will allow HSBC, its agent or surveyor or any person authorised by it, to enter and inspect or value the Property at any reasonable time on reasonable notice (except in case of emergency).

Safeguarding HSBC's security

- 12 (a) You must not, without HSBC's written consent:
- (i) agree to, or give, any licence or tenancy affecting the Property or share possession of it;
 - (ii) exercise the powers of leasing the Property conferred by section 99 of the Act and of surrendering (giving up) leases conferred by section 100 of the Act;
 - (iii) in any way either create, or agree to, or dispose of any interest of any person in the Property;
 - (iv) negotiate, settle or waive any claim for loss, damage or other compensation affecting the Property, for example, compulsory purchase; or
 - (v) apply for any improvement or other grant or do anything which might result in the Property being subject to a statutory charge.
- (b) You must do everything in your power to prevent:
- (i) any other person from being registered under the Land Registration Acts and Rules from time to time in force as proprietor of the Property and you will be responsible for reasonable expenses incurred by HSBC in lodging any notices against the registration of title to the Property; and
 - (ii) any person from becoming entitled to claim any right over the Property.
- (c) You must do everything necessary to help HSBC to:
- (i) confirm or protect its interest in the Property; and
 - (ii) exercise any of its rights under the Mortgage.
- This includes immediately signing and delivering documents or doing anything else HSBC reasonably requires, whether or not the Mortgage has become enforceable.
- (d) You must not, without HSBC's written consent, at any time create, grant or allow any other mortgage, charge or burden in relation to the Assets or any part of the Assets.

When the Mortgage becomes enforceable

- 13 You agree that any of the Debt is due and payable to HSBC on demand, unless HSBC has agreed otherwise.
- 14 The Mortgage shall become enforceable if:
- (a) the Debt, or any part of it, is not paid or discharged when due;
 - (b) you are in breach of any of your material obligations under the Mortgage;
 - (c) you, or any of you, or any Borrower, become bankrupt or enter into liquidation or any arrangement with creditors or a receiver, administrator or trustee is appointed over a substantial part of your assets or the assets of the Borrower or any of you or any Borrower is subject to similar proceedings in any jurisdiction;
 - (d) anyone seeks to, or takes possession of, or seeks to enforce, or enforces, any security affecting the Assets or if anything else happens which might adversely affect the security given by the Mortgage;
 - (e) any other event occurs that makes the Mortgage (or any other security for the Debt) enforceable;
 - (f) the Property is compulsorily purchased or requisitioned; or
 - (g) any act of default (however described) occurs entitling HSBC to declare the Debt or any part of it due and payable or the Debt or any part of it otherwise becomes due and payable.
- 15 When the Mortgage becomes enforceable, if HSBC has not already done so, it can ask you to pay the whole of the Debt immediately, and HSBC can:
- (a) exercise its rights to make you leave the Property and take possession of the Property itself;
 - (b) use all of the powers given by the Act to sell the Property without the restrictions set out in section 103 of the Act, which contain restrictions on the power of sale;

- (c) appoint any person or persons it wants to act as receiver in respect of the Property (or any part of it) and its income without the restrictions set out in section 109 of the Act, which contains provisions relating to the appointment and duties of receivers.

Appointment and powers of a receiver

- 16 If HSBC appoints a receiver under paragraph 14(c) above, the receiver will act as your agent and you will be solely responsible for paying the fees and expenses of the receiver and for the receiver's acts or failures. Any receiver may be appointed, removed or replaced by HSBC alone. If more than one person is appointed as receiver, they may act together or on their own.
- 17 In addition to all the powers given by the Act, the receiver shall have power:
- (a) to sell, exchange, lease or in any other way dispose of the Assets in the manner and generally on terms the receiver thinks fit in your name and on your behalf;
 - (b) to do anything an absolute owner could do with the Assets, including:
 - (i) to take possession of, and collect, the Assets and any plant and machinery and for that purpose to take any proceedings in your name or otherwise;
 - (ii) to borrow money as the receiver may require;
 - (iii) to settle any claims arising out of, or against, the Assets;
 - (iv) to undertake or complete any works of improvement, repair, building or development on the Property;
 - (v) to apply for any planning permission or other consent for the Property;
 - (vi) to grant, determine or accept surrenders of, any leases, licences or tenancies affecting the Property on terms, and subject to, conditions the receiver thinks fit;
 - (vii) to carry on any trade or business, including farming, as has from time to time been carried on at the Property;
 - (viii) to provide services and employ or engage managers, contractors and other personnel and professional advisers on terms the receiver believes expedient;
 - (ix) to make elections for value added tax purposes as the receiver thinks fit;
 - (x) to do anything HSBC has power to do under the Mortgage;
 and any expenditure incurred as above shall be expenses of the receiver.
 - (c) to charge reasonable fees (in addition to all expenses incurred) as HSBC may from time to time agree with the receiver.
- 18 The receiver shall apply all money received:
- (a) first, to pay rents, taxes, rates and other outgoings affecting the Assets;
 - (b) second, to pay all annual sums or other payments and the interest on all principal sums having priority to the Debt;
 - (c) third, in paying the receiver's fees and expenses; and
- shall then pay the balance of the money to HSBC. The provisions of section 109 (6) and (8) of the Act, which contain provisions relating to the application of money received, shall be varied accordingly.

Power of Attorney

- 19 You, and if there is more than one of you, each of you, irrevocably (until the Debt has been paid in full and the Mortgage released) appoint HSBC, and/or each and every receiver appointed by HSBC, as your attorney. This means HSBC and/or each receiver can:
- (a) sign and deliver any deed or document which HSBC and/or any receiver may think fit;
 - (b) exercise any powers and do any act in respect of any of your obligations under the Mortgage; and
 - (c)
 - (i) make any payments (whether by way of payment of rent, service and other charges or other money payable under a lease, Commonhold Community Statement or otherwise);
 - (ii) effect or renew insurance;
 - (iii) carry out works;
 - (iv) represent you as a member of any management company or Commonhold Association; or
 - (v) do other things (including entering into any new lease pursuant to an order of the Court) or bring, settle or defend any proceedings (including forfeiture proceedings) in your name and at your expense,
 in each case provided that HSBC and/or each receiver is acting reasonably for the purposes related to the Mortgage. HSBC can delegate its power of attorney to third parties where reasonable to do so in order to assist in the exercise

of its powers, and you agree to ratify and confirm whatever such attorney shall do, or attempt to do, in the exercise of all or any of its powers, authorities and discretions mentioned above or under the power of attorney.

HSBC's Additional Powers

HSBC has powers of receiver

- 20 At any time after the Mortgage has become enforceable, and whether or not a receiver has been appointed, HSBC may, in addition to any other powers arising under the Mortgage, exercise all the powers of a receiver under the Mortgage.

Buying out prior interests

- 21 If someone else has a prior interest in the Assets, HSBC may, at any time, buy out the interest or have it transferred to HSBC and you will not object to this.

Adjustments to Law of Property Act powers and restrictions

- 22 Unless otherwise stated in the Conditions, HSBC's rights and remedies under the Mortgage are in addition to, and not in substitution for, any given by law.
- 23 HSBC will not release any property it is holding as security until you, or the Borrower, have paid HSBC all the money you or the Borrower owe and which is secured by the Mortgage. This means that section 93 of the Act, which contains restrictions on consolidating separate mortgages, will not apply to the Mortgage.

Making good your defaults

- 24 (a) If at any time you fail to comply with any of your obligations under the Mortgage, HSBC may do anything which, in its reasonable opinion, may be required to remedy the failure.
- (b) For the purposes of (a) above, HSBC or its agents may (but having no duty or liability to you to do so) enter the Property and if it does so, it shall not be deemed to have gone into possession of the Property.

Items left at the Property

- 25 (a) At any time after the Mortgage has become enforceable, HSBC or any receiver may (but having no duty or liability to you to do so) act on your behalf as your agent and at your expense, remove, store, preserve, sell or otherwise deal with any furniture, goods, vehicles, plant or machinery or produce, crops or animals which you fail or refuse to remove from the Property.
- (b) Neither HSBC nor any receiver will be liable for any resulting loss or damage.
- (c) So far as may be allowed by law, HSBC may apply any sums received from any such sale towards repayment of the Debt.
- (d) Where HSBC or any receiver receives any income from the Property, and any of the items mentioned in (a) above are left there, and produce income, any income received will be apportioned only in respect of the Property.

Protection of Purchasers

- 26 No one dealing with HSBC or any receiver needs to check that the powers under the Mortgage have arisen or are being properly exercised.

Payment of the HSBC's Fees, Expenses and Costs

- 27 (a) You must pay all fees, expenses, liabilities and legal and other costs reasonably incurred by or charged to HSBC relating to:
- (i) the administration, protection and enforcement (including the costs of any legal proceedings) of the Mortgage; and
 - (ii) the exercise by HSBC of its rights and powers under the Mortgage.
- (b) Any money incurred under (a) above (whether demanded or not) will be added to the Debt, unless you are giving the Mortgage to secure the Debt of another person or persons named as Borrower, in which case, such amounts will be debited to an account in your name with HSBC and, once debited, will carry interest at the rate or rates applicable from time to time to the Debt which it discharges and shall be payable on demand.

Independence and duration of the Mortgage

- 28 (a) The Mortgage is in addition to, and independent of, any other security which HSBC may hold at any time for any of the Debt.
- (b) No prior security held by HSBC over the Assets shall merge with the Mortgage.
- (c) The Mortgage remains continuing security against you, and if there is more than one of you, each of you, and if you are an individual, your personal representatives, until HSBC releases it in writing.

Determination

- 29 This paragraph applies if you give the Mortgage to secure the Debt of another person or persons named as Borrower. You can give three months' notice in writing to HSBC to determine the continuing nature of the Mortgage. If you do this it means that the Debt that is secured by this Mortgage will be:
- (a) limited in amount to the amount of Debt that is owed (whether actual or contingent and whether or not demand shall have been made) to HSBC on the date that is three months after actual receipt of the notice by HSBC;
- (b) money agreed to be paid by you under paragraph 26 of these Conditions whether such amount is due before or after the date that is three months after actual receipt of the notice by HSBC; and
- (c) money agreed to be paid by you under paragraph 35 of these Conditions limited to the amount of the Debt that is owed (or would be owed were it not for the matters set out in paragraph 35(b)) by the Borrower to HSBC on the date that is three months after actual receipt of the notice by HSBC.

Retention of the Mortgage

- 30 If HSBC reasonably requires, it may decline to release the Mortgage unless it is satisfied that any payment of the Debt will not be avoided whether as a preference or otherwise.

HSBC's powers to deal with Accounts and Money received

- 31 (a) If HSBC receives notice of any subsequent mortgage or other interest affecting the Assets, or notice of determination under paragraph 28 of these Conditions, HSBC may open a new account or accounts for you or any Borrower (as the case may be). If HSBC does not do so, then all payments made to HSBC after receipt of the notice, or expiry of the three month period following receipt of notice of determination (as the case may be), (other than those expressly put aside for a particular purpose) shall be treated as having been credited to a new account in your or the Borrower's name (as the case may be) instead of reducing the Debt.
- (b) If the Mortgage is given for your Debt, and HSBC has more than one account for you, if the Mortgage becomes enforceable or HSBC receives any notice mentioned in (a) above, HSBC may at any time, without prior notice, transfer any credit balance in or towards discharge of any debit balance on any of your accounts. HSBC will notify you of the transfer.
- (c) If HSBC has any other mortgage or charge over the Assets, HSBC shall be able to appropriate (this means putting aside for a specific purpose) any money received under the Mortgage or under the other mortgage or charge.
- 32 (a) All money received by HSBC under the Mortgage may, in HSBC's reasonable discretion, be credited to, and held in, a separate account in your name for so long as HSBC may reasonably think fit until the money, and any interest on it, is used by HSBC in or towards discharge of the Debt.
- (b) Any money credited to an account under paragraph 31(a) above shall earn interest from the date of payment into the suspense account at the following rate or rates:
- (i) if and to the extent that the money is used in or towards discharge of the Debt, at the rate or rates applicable from time to time to the Debt which it discharges;
- (ii) if and to the extent that the money is not used in or towards discharge of the Debt, and is later returned to you, interest at a rate or rates equivalent to the highest interest rate payable by HSBC at the date of payment into the suspense account on its range of savings accounts with instant access as the same may be varied from time to time.

Currency Conversion

- 33 HSBC may convert any money received under the Mortgage from the currency in which it is received into any other currency that HSBC requires for the purpose of, or pending, the discharge of the Debt. Any conversion will be effected at HSBC's then prevailing rate of exchange for that currency.

Restrictions on Recovery by You

- 34 This paragraph applies if you give the Mortgage to secure the Debt of another person or persons named as Borrower.

Unless the Debt has been paid in full, and until HSBC releases the Mortgage:

- (a) you will not benefit from any rights HSBC may have, or any security (whether by way of mortgage, guarantee or otherwise) HSBC may hold, on account of the Debt;
- (b) without HSBC's written consent, you will not exercise or enforce (or seek to) any rights which you may have against the Borrower, or any other person, which arise by reason of payment of the Debt;
- (c) any money or asset which you receive by reason of the rights mentioned above will be held by you on trust for HSBC and will be applied as if the money or asset were received by HSBC under the Mortgage;
- (d) you hold any security given to you (now or in the future) for giving the Mortgage on behalf of you on trust for HSBC and will comply with the reasonable requests of HSBC relating to the transfer of that security; and
- (e) you waive any right of set-off you may have now, or at any time in the future, in respect of the Debt. This means that if HSBC owes money to you, you cannot deduct these monies from the amount of the Debt.

Dealings with You, the Borrower and Others

35 You agree that HSBC may without releasing or otherwise affecting the Mortgage as security for the Debt:

- (a) give any loan, credit, financial accommodation or other facility ("the Facilities") to any Borrower (whether alone or with any other person) for whom you have given the Mortgage as may be agreed between HSBC and any Borrower. This means that the level of the Debt may increase without your knowledge;
- (b) extend, increase, renew, determine or otherwise vary the Facilities;
- (c) take any other security for the Debt (whether by way of mortgage, guarantee or otherwise);
- (d) make any arrangement in respect of the Debt, or any other security for it, with you, or if there is more than one of you, any of you, any Borrower for whom you have given the Mortgage or any other person (whether by way of giving time or other indulgence, variation, exchange, release, modification, refraining from perfection or enforcement or otherwise); or
- (e) do, or not do, anything which might otherwise discharge or affect the Mortgage as security for the Debt.

You further agree that the Mortgage as security for the Debt will not be affected by any other events or circumstances which, but for these provisions, might otherwise so affect it.

Irregularities in other securities - Incapacity of the Borrower

36 This paragraph applies if you give the Mortgage to secure the Debt of another person or persons named as Borrower.

- (a) The Mortgage will not be discharged or otherwise affected as security for the Debt by any invalidity or unenforceability of, or irregularity or defect in, any other security for the Debt (whether by way of mortgage, guarantee or otherwise) which HSBC may hold now, or at any time in the future.
- (b) You agree, as a separate and primary obligation, to pay to HSBC all loss caused by, or arising from, any legal limitation, disability or lack of capacity or authority affecting the Borrower or any person acting or purporting to act on behalf of the Borrower, regarding the Debt. HSBC will only look to enforce this obligation by realisation of the Assets.

Negligence in realisations

37 The Mortgage shall not be affected as security for the Debt by any neglect by HSBC, or by any agent, third party or receiver appointed by HSBC, in connection with the realisation of any other security (whether by way of mortgage, guarantee or otherwise) which HSBC may hold now, or at any time in the future, for the Debt.

Not enforcing HSBC's rights

38 HSBC (or any third party acting on its behalf or any receiver appointed by HSBC) may occasionally allow you extra time to comply with your obligations or not exercise some of its rights. However, it can still insist on the strict exercise and application of these rights and obligations at any time.

Notices

39 Any communication under the Mortgage may be served by HSBC to you:

- (a) by letter, sent by first class post to, or left at, your last known address or registered office, or the Property and if sent by post, it will be deemed to have been made or given two business days (Monday to Friday, except public holidays in England) after the day of posting; or
- (b) by fax or other electronic means to your last known fax number or electronic mail address and it will be deemed to have been served at the time of transmission unless HSBC receives a notice that the communication has not been delivered.

If HSBC is unable to send a communication to all of you (where there is more than one of you) sending the communication to any one of you is deemed to be sending it to all of you.

Governing Law

- 40 (a) The Mortgage shall be governed and construed in accordance with the laws of England and Wales.
- (b) You submit to the non-exclusive jurisdiction of the courts of England and Wales in relation to the Mortgage.

Disclosure of Information

- 41 Without restricting any other consents to disclosure of information you may have given to HSBC, you consent to the disclosure by HSBC of any information about you, the Mortgage, the Assets or the Debt to:
- (a) the Borrower; and/or
 - (b) any person to whom HSBC has transferred, or proposes to transfer, all or any of its rights under the Mortgage and/or the Debt, and any rating agencies; and/or;
 - (c) any person with whom HSBC has entered into, or proposes to enter into, any contractual arrangements in connection with the Mortgage and/or the Debt; and/or
 - (d) any company within the HSBC Group, being HSBC Holdings plc and its associated and subsidiary companies from time to time or any of its or their agents; and/or
 - (e) any insurer who is to, or proposes to, provide insurance to HSBC in respect of the Assets and/or the Debt;
 - (f) any other person to whom, and to the extent that, such information is required to be disclosed by any applicable law or regulation; and/or
 - (g) any advisers of HSBC or any other persons in connection with the Mortgage or any of (b) to (f) above.

Transfer of Rights

- 42 (a) HSBC may transfer all or any of its rights under the Mortgage and/or the Debt to any person at any time.
- (b) If HSBC transfers all or any of its rights under the Mortgage and/or the Debt, yours and the Borrower's rights under the Mortgage and/or the Debt (as the case may be) will stay exactly the same.
- (c) You and the Borrower will be bound to any person to whom HSBC transfers any such rights. That person will have HSBC's powers and rights so far as HSBC transfers these to that person. HSBC will be released automatically from its obligations to you and the Borrower so far as that person assumes HSBC's obligations.
- (d) You will, at the expense of HSBC or the person to whom the rights are transferred, do anything reasonably requested by HSBC to effect a transfer of all or any of its rights under the Mortgage and/or the Debt.
- (e) You will not transfer all or any of your rights or obligations under the Mortgage and/or the Debt without the prior written consent of HSBC.
- (f) In these Transfer of Rights provisions and in the Disclosure of Information provisions above:
- (i) the term **transfer** means sale, assignment and/or transfer;
 - (ii) the term **rights** means rights, benefits and/or obligations; and
 - (iii) the term **persons** means any person, trust, fund or other entity.

HSBC's written consent and reasonable requirement

- 43 (a) Where the words "without HSBC's written consent" appear in any paragraph, HSBC will not unreasonably withhold consent. You agree that it is reasonable for HSBC to refuse to consent to something if, in HSBC's reasonable opinion, it adversely affects or might affect:
- (i) HSBC's security under the Mortgage or HSBC's ability to enforce the Mortgage;
 - (ii) the value of the Assets or HSBC's ability to sell the Assets;
 - (iii) HSBC's ability to recover the Debt; or
 - (iv) the assessment of the value of the Mortgage as an asset of HSBC.
- (b) Where the words "HSBC reasonably requires" appear in any paragraph, you agree that it is reasonable for HSBC to require something if, in HSBC's reasonable opinion, it will or might assist in:
- (i) the preservation or protection of HSBC's security under the Mortgage or the value of the Assets; or
 - (ii) HSBC's ability to recover the Debt.

Severance and Modification

- 44 (a) If any of the paragraphs (or part of a paragraph) of these Conditions and/or any of the clauses (or part of a clause) of the Mortgage becomes invalid or unenforceable in any way under any law, the validity of the remaining paragraphs or clauses (or part of either) will not be affected.
- (b) If any invalid or unenforceable paragraph or clause mentioned above (or part of either) would not be invalid or unenforceable if its form or effect were modified in any way, it shall be deemed to have the modified form or effect.
- (c) If the Mortgage is unenforceable or otherwise ineffective against any one or more of you, none of the rest of you will be released from your obligations under the Mortgage.

Annex 2**Property details**

- (a) The property known as 11 to 17 (odd) Station Road and land on the south side of Station Road, Maldon registered at HM Land Registry with title number EX588430; and
- (b) The unregistered land known as Carr's Flour Mills, Silloth, Wigton CA7 4AJ and more particularly described in:
 - (i) a conveyance dated 30 December 1886 and made between (1) The North British Railway Co and (2) Messrs Carr & Co and their Trustee;
 - (ii) an agreement dated 10 April 1905 and made between (1) The North British Railway Co and (2) Carr & Co Limited;
 - (iii) a conveyance dated 22 November 1905 and made between (1) The North British Railway Co and (2) Carr & Co Limited;
 - (iv) a conveyance dated 31 August 1908 and made between (1) Carr & Company Limited and (2) Carr & Co Limited;
 - (v) an agreement dated 31 December 1947 and made between (1) The London and North Eastern Railway Company and (2) Carr's Flour Mills Limited;
 - (vi) a conveyance dated 4 April 1950 and made between (1) Carr's Milling Industries Limited and (2) Carr's Flour Mills Limited; and
 - (vii) a conveyance dated 29 September 1953 and made between (1) The British Transport Commission and (2) Carr's Flour Mills Limited.

SIGNATURES TO THE LEGAL MORTGAGE

IMPORTANT - PLEASE READ THE NOTES OVERLEAF AND THE CONDITIONS BEFORE SIGNING THIS MORTGAGE

IN WITNESS of the above, this Mortgage, which is intended to take effect as a deed, has been executed by the Mortgagor and is now delivered on the date mentioned above.

EXECUTED AS A DEED by **CARR'S FLOUR MILLS LIMITED**
acting by a director in the presence of a witness

Signature

Director

Name in full

ROGER BUTLER
(Block letters)

In the presence of:

Full name of
Witness

SIMONE LARRE
(Block letters)

Signature of witness

Address

VICTORIA MILLS

WELLSBOROUGH NWS 20T

Occupation

COMPANY SECRETARY

EXECUTED AS A DEED by a duly authorised Official of **HSBC EQUIPMENT FINANCE (UK) LIMITED** as its Attorney the day and year first above written.

Signature

Attorney of **HSBC EQUIPMENT FINANCE (UK)**
LIMITED

Name in full

(Block letters)

In the presence of:

Full name of Witness

(Block letters)

Signature of witness

Address

Occupation

SIGNATURES TO THE LEGAL MORTGAGE

IMPORTANT - PLEASE READ THE NOTES OVERLEAF AND THE CONDITIONS BEFORE SIGNING THIS MORTGAGE

IN WITNESS of the above, this Mortgage, which is intended to take effect as a deed, has been executed by the Mortgagor and is now delivered on the date mentioned above.

EXECUTED AS A DEED by CARR'S FLOUR MILLS LIMITED

acting by a director in the presence of a witness

Signature

Director

Name in full

(Block letters)

In the presence of:

Full name of

Witness

(Block letters)

Signature of witness

Address

Occupation

EXECUTED AS A DEED by a duly authorised Official of **HSBC EQUIPMENT FINANCE (UK) LIMITED** as its Attorney the day and year first above written.

Signature

Attorney of HSBC EQUIPMENT FINANCE (UK)
LIMITED

Name in full

ALISTAIR DRAGE

(Block letters)

In the presence of:

Full name of Witness

ANDREW REEVES

(Block letters)

Signature of witness

Address

Addleshaw, Goodwood LHP

Occupation

Solicitor

HSBC Equipment Finance (UK) Limited

LEGAL MORTGAGE

IMPORTANT - PLEASE READ THE FOLLOWING NOTE BEFORE SIGNING THIS MORTGAGE

This document is a Mortgage of the Property and other assets described overleaf on the terms set out in the mortgage deed conditions set out in the annex hereto. You should sign this Mortgage in front of a witness who should be your solicitor, other legal adviser or an independent witness.

- HSBC will hold this Mortgage as security for the debts and/or the other liabilities to HSBC as set out in clause 2 of this Mortgage. What this means is that both present and future debt, together with the other liabilities mentioned in that clause, are secured by this Mortgage.
- If any of the debts and/or the other liabilities are not paid when due, HSBC can take possession of the Property and other assets, sell them and put the money from the sale towards the debts and/or the other liabilities.
- The debts may also include overdrafts, loans or money due under any other facilities that HSBC has provided to the Borrower or grants to the Borrower in the future, whether or not you know about or agree to them. Normally HSBC will not inform you of existing or future debts or liabilities of the Borrower.
- The debts may also include amounts owed under any guarantee or indemnity that the Borrower has given, or may give in the future, to HSBC, for example, agreements by the Borrower to be responsible for the liabilities of another customer or for liabilities incurred by HSBC on the Borrower's behalf.
- If there is more than one person named as the Borrower, this Mortgage will be held as security for the debts of each of them on their own, as well as for the debts which each of them owe with any other person.
- This Mortgage is separate from, and not limited by, any other mortgage or guarantee which may already have been given to HSBC or which may be given in the future.
- This Mortgage and the mortgage deed conditions set out in the annex hereto contain other terms which affect you.

This Mortgage is an important legal document. HSBC strongly recommends that you seek the advice of your solicitor or other legal adviser before signing this Mortgage.

Third Party Legal Mortgage