



Registration of a Charge

Company name: **ST. MODWEN DEVELOPMENTS LIMITED**

Company number: **00892832**



X5KWLW6J

Received for Electronic Filing: **01/12/2016**

Details of Charge

Date of creation: **28/11/2016**

Charge code: **0089 2832 0227**

Persons entitled: **ABBAY NATIONAL TREASURY SERVICES PLC**

Brief description: **ALL THAT FREEHOLD PROPERTY KNOWN AS BONDED FIBRE FABRIC LTD, BATH ROAD, BRIDGWATER (TA6 4NZ) REGISTERED AT THE LAND REGISTRY WITH TITLE NUMBER ST66952.**

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:

TAYLOR WESSING LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 892832

Charge code: 0089 2832 0227

The Registrar of Companies for England and Wales hereby certifies that a charge dated 28th November 2016 and created by ST. MODWEN DEVELOPMENTS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 1st December 2016 .

Given at Companies House, Cardiff on 2nd December 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

DATED

28 November

2016

ST MODWEN DEVELOPMENTS LIMITED
as Chargor

and

ABBAY NATIONAL TREASURY SERVICES PLC
as Agent

LEGAL CHARGE

EXECUTION VERSION

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Index

Clause No.	Page No.
1. Definitions and Interpretation	1
2. Undertaking to Pay	3
3. Fixed Security	3
4. Rental Income	4
5. Representations	4
6. Negative Undertakings	5
7. Undertakings relating to the Charged Property	5
8. Enforcement of Security	7
9. Powers of Receiver and Agent	8
10. Delegation of Powers by Agent or Receiver	9
11. Exclusion of Liability	9
12. Reimbursement and Indemnity	9
13. Application of Sums Realised	10
14. Protection of Persons Dealing with Agent, Receiver or Delegate	10
15. Notice of Subsequent Charge	11
16. Further Assurance	11
17. Power of Attorney by Chargor	11
18. Protective Provisions	12
19. Discharge of Security	13
20. Redemption	13
21. Default Interest	13
22. Changes to the parties	14
23. Set-off	14
24. Miscellaneous	14
25. Law	15
26. Jurisdiction	15
SCHEDULE 1	166
SCHEDULE 2	177

THIS LEGAL CHARGE is made on

28 November

2016

BETWEEN

- (1) **ST MODWEN DEVELOPMENTS LIMITED** as **Chargor**; and
- (2) **ABBEY NATIONAL TREASURY SERVICES PLC** as **Agent**.

AGREED TERMS

1. Definitions and Interpretation

1.1 Definitions

In this deed:

"Agreement" means a loan agreement dated 31 January 2011 made between St Modwen Properties plc as the Borrower, the guarantors named therein, the lenders named therein and Abbey National Treasury Services Plc as the Agent, as amended and restated by an amendment and restatement deed dated 30 May 2014 made between the same parties, as the same may be amended, varied, supplemented, novated, restated or replaced from time to time;

"Charged Property" means the assets mortgaged, charged or assigned by the Chargor under this deed;

"Chargor" means St Modwen Developments Limited, a private limited company incorporated in England and Wales with company number 892832 and whose registered office is at Park Point, 17 High Street, Longbridge, Birmingham, B31 2UQ;

"Default Rate" means the interest rate provided for in clause 8.3 (Default Interest) of the Agreement in relation to Unpaid Sums;

"Financial Collateral Regulations" means the Financial Collateral Arrangements (No 2) Regulations 2003 SI 2003/3226;

"Insolvency Act" means the Insolvency Act 1986;

"LPA" means the Law of Property Act 1925;

"Plant and Equipment" means any fittings, plant, equipment, machinery, tools, vehicles, furniture and other tangible movable property of the Chargor which are not Property;

"Property" means each of the property described in schedule 1 and including any buildings, fixtures, landlord's fittings, fixed plant or machinery from time to time on or forming part of such property and a reference to the Property shall be a reference to each such Property;

"Receiver" means any one or more persons appointed as a receiver or receiver and manager under this deed;

"Secured Liabilities" means:

- (a) all obligations of each Obligor owed or expressed to be owed to the Finance Parties (or any of them) under or in connection with the Finance Documents whether owed jointly or severally, as principal or surety or in any other capacity;
- (b) in the case of any Obligor other than the Chargor any obligation referred to in (a) above which is or becomes Unenforceable and any cost, loss or liability which any Finance Party incurs as a result of any such Obligor not paying any amount expressed to be payable by it under any Finance Document on the date when it is expressed to be due; and

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

1.2 *Interpretation*

- (a) This deed is a Finance Document.
- (b) The provisions of clauses 1.1 (Definitions and Interpretation), 1.2 (Construction) and 1.3 (Interpretation) of the Agreement shall be deemed to be incorporated into this deed. For the purposes of incorporation into this deed the reference to **"this agreement"** in the definition of **"Finance Documents"** in clause 1.1 of the Agreement shall be deemed to be a reference to the Agreement.
- (c) Any other document designated as a Finance Document by the Agent and the Borrower in accordance with the terms of the Agreement shall be a Finance Document for the purpose of this deed.
- (d) In this deed, unless a contrary indication appears:
 - (i) **"obligations"** means obligations and liabilities;
 - (ii) references to obligations and liabilities include the whole or any part of them, present and future, actual and contingent;
 - (iii) any reference to **"powers"** includes rights, powers, discretions and authorities; and
 - (iv) any reference to any asset includes any proceeds of sale of any such asset.

1.3 *Incorporation*

This deed incorporates the terms of the Finance Documents and any side letters between the parties to the extent required to ensure the validity of any purported disposition under this deed of any freehold or leasehold property under s.2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.4 *Continuation of undertakings*

Any undertaking made by or obligation imposed on the Chargor in this deed will continue in force until the Agent is satisfied that the Finance Parties have no further obligation to provide financial accommodation to the Borrower and all the Secured Liabilities have been irrevocably paid or discharged in full.

1.5 *Construction of charging clause*

Each of the security interests created by clause 3 (Fixed and Floating Security) shall be construed as separate and distinct interests over the relevant assets so that the re-characterisation for any reason of any security interest over any one asset shall not affect the nature of the security interest created over any other asset.

2. Undertaking to Pay

The Chargor undertakes with the Agent to pay the Secured Liabilities to the Agent when due.

3. Fixed Security

As continuing security for the payment of the Secured Liabilities the Chargor with full title guarantee charges to the Agent as trustee for the Finance Parties:

- (a) by way of legal mortgage the Property;
- (b) by way of fixed charge its rights and interests in:
 - (i) its present and future goodwill in respect of any business carried on by the Chargor at the Property;
 - (ii) all licences, consents and authorisations (statutory or otherwise) held or required in connection with the Chargor's use of the Property and all rights in connection with them;
 - (iii) all its benefits, rights, titles, claims and interests in and to all present and future insurance policies or contracts in respect of the Property, any payments paid or payable, claims or return of premium in relation thereto; and
 - (iv) all its right and interest in all Plant and Equipment now or in future located at the Property.
- (c) by way of assignment:
 - (i) all its benefits, rights, titles, claims and interests in all present and future Rental Income;
 - (ii) any agreement (including any occupational Lease) relating to the Property;
 - (iii) all its rights under any development agreement or related documents including, without limitation, collateral warranties with trade contractors or professionals relating to the Property;
 - (iv) its rights and interest in any present or future compensation and damages for the compulsory purchase of, or any blight or disturbance affecting the Property;
 - (v) its rights and interest in any claim against any the provider of any certificate of or report on title or the provider of any other due diligence report (in its capacity as provider of the same) in connection with the acquisition, development, financing or refinancing of the Property;

- (vi) its rights and interest under any present or future contract for the purchase of the Property;
- (vii) all its rights and claims in relation to any Property including, without limitation, all rights and claims against any lessees, tenants, sub-lessees, sub-tenants, licensees or occupiers of the Property from time to time and all guarantors and sureties for the obligations of such persons,

provided that, in each case, to the extent (if any) that the benefits, rights, titles, claims and interests assigned under this paragraph 3 (Fixed security) are not assignable, such assignment will operate as an assignment of all proceeds received by the Chargor in connection with such benefits, rights, titles, claims and interests.

4. Rental Income

4.1 *Prohibited dealings*

The Chargor shall not without first obtaining the written consent of the Agent compound, release or do anything by virtue of which the collection and recovery of any of the Rental Income may be impeded, delayed or prevented.

4.2 *Notice of assignment of Rental Income and acknowledgement*

After the occurrence of an Event of Default which is continuing and if required by the Agent, the Chargor shall give notice of assignment of the Rental Income in the form set out in part 1 of schedule 2 to each tenant of the Property and shall use reasonable endeavours to procure that each such tenant executes and delivers to the Agent an acknowledgement of such notice in the form set out in part 2 of schedule 2.

4.3 *Notice of assignment of agreements*

After the occurrence of an Event of Default which is continuing and if required by the Agent, the Chargor shall give notice of the assignment of any agreement assigned to the Agent (such notice to be in a form satisfactory to the Agent) to the other party or parties to such agreement and shall use reasonable endeavours to procure that such party or parties executes and delivers to the Agent an acknowledgement of such notice (in a form approved by the Agent).

4.4 *Agent may give notice*

Nothing in this clause 4 shall prevent the Agent from giving any notice of assignment or charge it considers necessary or desirable in relation to the Security created over any Charged Property following the occurrence of an Event of Default which is continuing.

5. Representations

5.1 *Duration and Scope*

The Chargor makes the representations and warranties set out in clause 18 of the Agreement to the Agent on the date of this deed.

6. Negative Undertakings

6.1 *Negative pledge*

The Chargor shall not create or permit to subsist any Security over any of the Charged Property other than Permitted Security.

6.2 *Disposals*

Save as permitted by the Agreement, the Chargor shall not sell, transfer, lease or otherwise dispose or purport or agree to dispose of:

- (a) any of its assets which are expressed to be mortgaged by way of legal or equitable mortgage, assigned by way of security or charged by way of fixed security or charge to the Agent as security trustee for the Finance Parties under clause 3 (Fixed security);
- (b) any of its assets charged by way of floating charge under clause 3 (Fixed security) other than on arm's length terms in the ordinary course of its trading.

7. Undertakings relating to the Charged Property

7.1 *Repair*

The Chargor shall:

- (a) save in connection with a Permitted Development or any other development approved by the Agent, keep the Charged Property which is of a repairable nature in good and substantial repair and condition; and
- (b) save as otherwise permitted under the Agreement, not, without first obtaining the written consent of the Agent, make any structural alterations or additions to or carry out any development on or make any planning or similar application relating to any of the Charged Property.

If the Chargor fails to comply with the undertakings in paragraphs (a) and (b) above in a manner which the Agent (acting reasonably) considers to be material the Agent will be entitled to repair and maintain the Charged Property and carry out works of reinstatement at the cost of the Chargor and will for this purpose have the rights of entry set out in this clause.

7.2 *Proprietorship*

The Chargor shall not permit any person:

- (a) to be registered as proprietor under the Land Registration Act 2002 of any Charged Property nor create or permit to arise any interest referred to in schedule 1 or schedule 2 of such Act affecting any Charged Property; or
- (b) to become entitled to any proprietary right or interest which might affect the value of any Charged Property.

7.3 *Notification of acquisitions and disposals*

The Chargor shall promptly notify the Agent of any contract, conveyance, option, transfer or other disposition involving the Property (or any interest in it) or, without

prejudice to clause 6 (Negative Undertakings), any sale, lease (other than a Permitted Lease), transfer or other disposal by the Chargor of an interest in the Property.

7.4 Powers of leasing

Other than in respect of a Permitted Lease, the Chargor's statutory and any other powers of entering into Leases and accepting or agreeing to accept surrenders of Leases are excluded and shall not be exercisable by the Chargor in relation to the Property and other than pursuant to or in connection with a Permitted Lease the Chargor shall not without the prior written consent of the Agent:

- (a) part with possession or occupation of, confer any licence or right to occupy nor confer any interest in the Property;
- (b) grant any permission to assign, underlet or part with possession or occupation of the Property;
- (c) agree or permit any amendment to or waiver of the terms of any Lease (including any Lease under which the Chargor is tenant); or
- (d) exercise any power to determine any Lease.

7.5 Right of entry

The Chargor shall permit the Agent, its agents and contractors at reasonable times and upon reasonable notice (or at any time without notice after the occurrence of an Event of Default or in case of emergency) to enter into or upon the Property without becoming liable as mortgagee in possession:

- (a) to view the state and condition of or to value it;
- (b) to comply with or object to any direction or notice or other matter served upon the Chargor; and
- (c) to carry out at the cost of the Chargor any repairs or maintenance or to take any action which the Agent considers necessary or desirable in connection with any Charged Property to procure compliance with any obligation of the Chargor in this deed.

7.6 Documents of title

The Chargor shall deposit with the Agent all deeds and documents of title relating to the Charged Property or ensure that they are held subject to an undertaking acceptable to the Agent by solicitors acceptable to the Agent.

7.7 Failure to comply

If the Chargor fails to comply with any of its obligations under this deed the Agent may take such steps as it considers appropriate to procure compliance with such obligations at the cost of the Chargor.

8. Enforcement of Security

8.1 Agent's powers

At any time following the occurrence of an Event of Default which is continuing, this deed shall become enforceable and the Agent may immediately or at any time thereafter:

- (a) exercise the power of sale and all other powers conferred by s.101 of the LPA as varied or extended by this deed;
- (b) make any lease or agreement for lease or accept surrenders of leases and grant options on such terms as it thinks fit without needing to comply with s.s 99 and 100 of the LPA;
- (c) subject to s.72A of and paragraph 43 of Schedule A1 to the Insolvency Act, appoint one or more persons as a receiver or receiver and manager of any Charged Property;
- (d) exercise all the powers conferred on a Receiver by this deed, the LPA and the Insolvency Act;
- (e) by notice to the Chargor end the Chargor's right to possession of all or any part of any Property forming part of the Charged Property and enter into possession of all or such part of any such Property;
- (f) to the extent that this deed constitutes a "security financial collateral arrangement" as defined in the Financial Collateral Regulations, appropriate any Charged Property which constitutes "financial collateral" as defined in the Financial Collateral Regulations in or towards satisfaction of the Secured Liabilities and the Agent shall value such Charged Property by reference to an independent valuation or other procedure selected by the Agent acting reasonably.

8.2 Powers under the LPA

- (a) S.103 of the LPA will not apply to this deed.
- (b) The power of sale and all other powers conferred by s.101 of the LPA as varied or extended by this deed will arise upon execution of this deed by the Chargor.

8.3 Receivers

- (a) The Agent may appoint any Receiver upon such terms as to remuneration and otherwise as the Agent thinks fit and the maximum rate specified in s.109(6) of the LPA shall not apply.
- (b) Any Receiver will be the agent of the Chargor for all purposes and the Chargor will be responsible for such Receiver's acts and defaults and for his remuneration, costs, fees, taxes and expenses to the exclusion of liability on the part of the Agent.
- (c) Where two or more persons are appointed as Receiver any act authorised to be done by the Receiver may be done by all of them acting jointly or by any one or more of them acting severally.
- (d) The Agent may at any time by writing remove any Receiver (subject to the obtaining of any required order of the court in the case of an administrative

receiver) whether or not the Agent appoints any other person as Receiver in his place.

9. Powers of Receiver and Agent

9.1 *Statutory powers*

A Receiver shall have and be entitled to exercise all the powers conferred on a receiver by the LPA and, whether or not such a Receiver is an administrative receiver, all the powers conferred upon an administrative receiver by Schedule 1 to the Insolvency Act which powers are incorporated into this deed provided that references in that Schedule to "the property of the Company" will be deemed to be references to the Charged Property for the purposes of this deed.

9.2 *Additional powers*

By way of addition to and without limiting any other powers referred to in this clause a Receiver shall have power (both before and after the commencement of any liquidation of the Chargor) to do every act and thing and exercise every power:

- (a) which the Chargor would have been entitled to do or exercise if no Receiver had been appointed or which the Receiver would have been entitled to do or exercise if the Receiver were the absolute legal and beneficial owner of the Charged Property; and
- (b) which such Receiver in his absolute discretion considers necessary or desirable for maintaining or enhancing the value of any Charged Property or for or in connection with the enforcement of the Security created by this deed or the realisation of any Charged Property,

and may use the name of the Chargor in connection with any exercise of such powers.

9.3 *Prior Security*

At any time after the security given by this deed has become enforceable, the Agent may redeem any prior Security against the Charged Property or procure a transfer of such Security to itself and may agree the accounts of the person entitled to that Security and any accounts so agreed will be binding on the Chargor. Any money paid by the Agent in connection with a redemption or transfer of any prior Security will form part of the Secured Liabilities.

9.4 *Possession*

If the Agent, any Receiver or any delegate of either of them takes possession of any Charged Property it may go out of possession at any time.

9.5 *Consideration*

The receipt of the Agent or any Receiver shall be a conclusive discharge to a purchaser and, in making any sale or disposal of any of the Charged Property the Agent or any Receiver may do so for such consideration, in such manner and on such terms as it thinks fit.

10. Delegation of Powers by Agent or Receiver

10.1 *Delegation*

The Agent or any Receiver may from time to time delegate by power of attorney or in any other manner to any person any powers which are for the time being exercisable by the Agent or a Receiver under this deed in relation to any Charged Property and any such delegation may be made upon such terms as the Agent or such Receiver may think fit.

10.2 *Liability for delegates*

Neither the Agent nor any Receiver will be in any way liable or responsible to the Chargor for any loss or damage arising from any act or omission on the part of any such delegate unless such loss or damage is caused by the fraud, gross negligence or wilful misconduct of the delegate.

11. Exclusion of Liability

11.1 *No obligation to recover*

Neither the Agent nor any Receiver or Delegate is under any obligation to take action to collect any money or enforce any rights comprised in the Charged Property whether or not it is in possession of the relevant Charged Property.

11.2 *Liability as mortgagee in possession*

If the Agent or any Receiver or Delegate takes possession of any Charged Property, it will not be liable to account to the Chargor for anything except actual receipts or be liable to the Chargor for any loss arising from any realisation of any Charged Property or for any default or omission for which a receiver or mortgagee in possession would be liable.

11.3 *Losses on enforcement*

No Secured Party will be liable to the Chargor for any loss or damage arising from:

- (a) any sale of any Charged Property;
- (b) any act, default or omission of any Secured Party in relation to any Charged Property; or
- (c) any exercise or non-exercise by any Secured Party of any power conferred upon it in relation to any Charged Property by or pursuant to this deed or by the LPA,

unless such loss or damage is caused by the fraud, gross negligence or wilful misconduct of such Secured Party.

12. Reimbursement and Indemnity

12.1 *Reimbursement*

The Chargor shall pay to the Agent on demand:

- (a) any money paid by the Agent or any Receiver or Delegate:

- (i) as a result of the Agent or any Receiver or Delegate taking action which the Agent or any Receiver or Delegate considers necessary or desirable in connection with any Charged Property or to procure compliance with any obligation of the Chargor in this deed; or
- (ii) in respect of any action or thing expressed in this deed to be done at the cost of the Chargor; and
- (b) all costs, fees, taxes and expenses incurred by the Agent or any Receiver or Delegate under or in connection with this deed or its enforcement and/or the preservation of the Agent's rights under this deed.

12.2 *Indemnity*

The Chargor shall indemnify each of the Agent and any Receiver and any Delegate against all liabilities, claims and expenses whether arising out of contract or in tort or in any other way (including any liability under any Environmental Law) which it may at any time incur in connection with this deed or for anything done or omitted to be done in the exercise or purported exercise of its powers pursuant to this deed unless such liabilities, claims and expenses are caused by its fraud, gross negligence or wilful misconduct.

13. **Application of Sums Realised**

13.1 *Order of application*

Subject to claims having priority to the Security created by this deed and by variation to the provisions of the LPA, all money recovered by the Agent or any Receiver or Delegate as a result of the realisation or enforcement of all or any part of the Security constituted by this deed or otherwise by reason of the Security created by this deed (for the purpose of this clause the "**Recoveries**") shall be applied in the following order:

- (a) in payment of all costs, fees and expenses incurred by the Agent or any Receiver or Delegate in or pursuant to the exercise of the powers set out in this deed and all other outgoings properly payable by any Secured Party;
- (b) in payment of remuneration to any Receiver;
- (c) in or towards payment to the Finance Parties of the Secured Liabilities as provided for in clause 30.4 (Application of proceeds of security) of the Agreement; and
- (d) the balance (if any) will be applied as required by law.

13.2 *Contingent or future liabilities*

If any money is received by the Agent or a Receiver as a result of the enforcement of this deed or otherwise by reason of the Security created by this deed at a time when the Secured Liabilities include contingent or future liabilities the Agent or any Receiver may hold some or all of such money in an interest bearing suspense account.

14. **Protection of Persons Dealing with Agent, Receiver or Delegate**

No person dealing with the Agent or any Receiver or Delegate will be concerned to enquire:

- (a) whether any event has happened upon which any of the powers conferred by this deed may have arisen or be exercisable;
- (b) otherwise as to the propriety or regularity of any exercise of the powers conferred by this deed or of any act purporting or intended to be in exercise of such powers; or
- (c) whether any Secured Liabilities remain owing.

15. Notice of Subsequent Charge

If any Finance Party receives notice of any Security or other interest affecting any Charged Property:

- (a) it may open a new account for the Chargor in its books and may transfer any outstanding balance owing by the Chargor to such new account;
- (b) if it does not open a new account then, unless it gives express written notice to the contrary to the Chargor, all payments made by the Chargor to it will as from the time of receipt of such notice be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Liabilities.

16. Further Assurance

When required by the Agent or any Receiver the Chargor shall, at its own cost:

- (a) execute a charge by way of legal mortgage, assignment by way of security or fixed charge over any Charged Property and such legal mortgage, assignment or charge shall secure the Secured Liabilities and contain a power of sale which arises immediately upon execution, provisions excluding s. 93 of the LPA and the restrictions contained in s. 103 of the LPA and such other provisions including any similar to those in this deed as the Agent may reasonably require;
- (b) execute any documents or do any other thing which the Agent or any Receiver may require for perfecting or protecting any Security created by this deed or in connection with the exercise of any powers given to the Agent or any Receiver under this deed; and
- (c) convey, transfer, assign or otherwise deal with any Charged Property in such manner as the Agent or any Receiver may require in connection with any enforcement of any Security created by this deed.

17. Power of Attorney by Chargor

The Chargor irrevocably and by way of security appoints each of the Agent, any person selected by the Agent and any Receiver its attorney in each case (with full power to appoint substitutes and to delegate) severally in its name and on its behalf to execute any document or do any act or thing which:

- (a) the Chargor is entitled to execute or do in relation to the Charged Property including giving a receipt for any money and exercising any rights or remedies forming part of the Charged Property; or

- (b) the Chargor is obliged to execute or do under this deed.

18. Protective Provisions

18.1 Waiver of defences

The obligations of the Chargor under this deed and the security constituted by this deed will not be affected by an act, omission, matter or thing which, but for this clause, would reduce, release or prejudice any of such obligations or security including (whether or not known to it or any Finance Party):

- (a) any time, waiver or consent granted to, or composition with, any other Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any Obligor;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over property of, any other Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any other Obligor or any other person;
- (e) any amalgamation, merger or reconstruction of any Finance Party with any other person or any sale or transfer of the whole or any part of the assets of any Finance Party to any other person;
- (f) the existence of any claim, set-off or other rights which any other Obligor may have at any time against any Finance Party, whether in connection with the Finance Documents or otherwise;
- (g) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (h) any obligation of any person under any Finance Document or any other document or security being Unenforceable; or
- (i) any insolvency or similar proceedings.

18.2 Immediate recourse

The Chargor waives any right it may have of first requiring any Finance Party to proceed against or enforce any other rights or security or claim payment from any person before enforcing the security constituted by this deed. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

18.3 Appropriations

Until the Secured Liabilities have been irrevocably paid in full, the Agent may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by the Agent in respect of the Secured Liabilities, or apply and enforce the same in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and the Chargor shall not be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any money received under this deed.

18.4 *Turnover*

If the Chargor receives any benefit, payment or distribution in relation to the rights referred to in clause 17.8 of the Agreement (Deferral of Guarantors' rights) it shall hold that benefit, payment or distribution to the extent necessary to enable the Secured Liabilities to be repaid in full on trust for the Agent as trustee for the Finance Parties and shall promptly pay or transfer the same to the Agent or as the Agent may direct for application as provided in clause 13 (Application of Sums Realised).

19. *Discharge of Security*

19.1 *Discharge conditional*

Any discharge of the Chargor by the Agent in reliance on a payment or security received by the Agent will cease to be effective if that payment or security is avoided, reduced or invalidated for any reason and the Agent will be entitled to recover from the Chargor on demand the amount of the Secured Liabilities discharged by such payment or security.

19.2 *Retention of security*

Following any discharge of the Chargor made by the Agent in reliance on a payment or security the Agent may retain the security constituted by this deed (and all documents of title or other documents necessary to protect such Security) until the expiry of the maximum period within which such payment or security can be avoided, reduced or invalidated for any reason. If the person making such payment or giving such security goes into liquidation or administration or equivalent proceedings in any foreign jurisdiction within that period the Agent may retain the security constituted by this deed for as long as it thinks fit.

20. *Redemption*

After the repayment or discharge in full of the Secured Liabilities and provided that the Agent is satisfied that no Finance Party is under any commitment, obligation or liability (actual or contingent) to make advances or provide other financial accommodation to any Obligor pursuant to the Finance Documents the Agent will at the request and cost of the Chargor release, without recourse or warranty, the Charged Property from the Security created by this deed.

21. *Default Interest*

Any sum payable by the Chargor under this deed will bear interest from the date on which it is due or if payable on demand from the date of demand until payment (both before and after judgment) at the Default Rate as calculated and compounded from time to time in accordance with the Agreement.

22. Changes to the parties

22.1 Agent

The Agent may assign or transfer the rights and interests of the Agent under or in connection with this deed to any successor to the Agent as agent and trustee under the Agreement.

22.2 Chargor

The Chargor may not assign any of its rights or transfer any of its rights or obligations under this deed.

23. Set-off

The Agent may set off any matured obligation due from the Chargor under this deed against any matured obligation owed by the Agent to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Agent may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

24. Miscellaneous

24.1 Trust

The Agent holds the benefit of this deed as trustee for the Secured Parties on the terms set out in the Agreement.

24.2 Incorporation

Clauses 33 (Calculations and Certificates), 34 (Partial Invalidity), 35 (Remedies and Waivers) and 37 (Counterparts) of the Agreement shall be deemed to be incorporated into this deed.

24.3 Possession

The Chargor shall be entitled to possession of any Property forming part of the Charged Property until termination of such right by the Agent under clause 8.1 (Agent's powers).

24.4 Third Party Rights

- (a) Unless expressly provided to the contrary, a person who is not a party to this deed has no right under the Third Parties Act to enforce or to enjoy the benefit of any term of this deed.
- (b) Notwithstanding any term of this deed, the consent of any person other than the Chargor and the Agent is not required to rescind or vary this deed at any time.
- (c) A Secured Party may, subject to this clause 24.4 and the Third Parties Act, rely on any provision of this deed which expressly confers rights on it.

24.5 *Continuing Security*

This deed is a continuing security and extends to the balance from time to time of the Secured Liabilities irrespective of any intermediate payment of the Secured Liabilities.

24.6 *Other Security*

This deed is in addition to and will not in any way be prejudiced or affected by the holding or release by the Agent or any other person of any other security at any time held by the Agent.

24.7 *Consolidation*

The restrictions on the right of consolidating mortgage securities contained in s.93 of the LPA will not apply to this deed.

24.8 *Land Registry Consent*

By executing this deed the Chargor consents to the entry of the following restriction against any registered titles (and any unregistered properties subject to compulsory first registration) which are at any time subject to this deed:

"No [disposition or specify type of disposition] of the registered estate [(other than a charge)] by the proprietor of the registered estate[, or by the proprietor of any registered charge, not being a charge registered before the entry of the restriction,] is to be registered without a written consent signed by the proprietor for the time being of the charge [date] in favour of [chargee] referred to in the charges register [or [their conveyancer or specify appropriate details]]."

25. **Law**

This deed and any non-contractual obligations arising out of or in connection with this deed shall be governed by English law.

26. **Jurisdiction**

The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this deed (including a dispute regarding the existence, validity or termination of this deed and a dispute regarding a non-contractual obligation referred to in clause 25 (Law)) (a "**Dispute**").

The Agent and the Chargor agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly the Chargor will not argue to the contrary.

This clause is for the benefit of the Agent only. As a result, the Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Agent may take concurrent proceedings in any number of jurisdictions.

This deed has been executed and delivered as a deed by the Chargor and signed on behalf of the Agent on the date shown at the beginning of this deed.

SCHEDULE 1

The Property

All that freehold property known as Bonded Fibre Fabric Ltd, Bath Road, Bridgwater (TA6 4NZ) registered at the Land Registry with title number ST66952.

SCHEDULE 2

Part 1

Notice of Assignment to Tenant

To: []

[Date]

Dear Sirs,

We refer to a lease dated [] (the "**Lease**") between us and you.

We give you notice by a legal charge dated [] entered into between us and Abbey National Treasury Services Plc (the "**Agent**"), we have assigned to the Agent all our rights and interest in all amounts now or at any time in the future payable to us under or in connection with the Lease including but not limited to each of the following amounts:

1. rent including any increase of rent or interim rent agreed by us or payable pursuant to any provisions of the Landlord and Tenant Act 1954 and all other amounts payable under the Lease;
2. amounts payable from any deposit held as security for performance of your obligations under the Lease;
3. [any other money payable in respect of occupation and/or use of the Property including any fixture for display or advertisement];
4. any profits, damages, compensation, settlement or expenses awarded or agreed as a result of any claim made by us under the Lease;
5. any amount payable or the value of any consideration to be given by or on behalf of you for the surrender or variation of the Lease;
6. any interest payable on any amount referred to above;
7. value added tax on any amount referred to above,

(together the "**Rental Income**").

We irrevocably instruct and authorise you notwithstanding any previous instructions which we may have given to you to the contrary to pay all Rental Income to our account at [] (Account No. []) under reference [] (the "**Rent Account**") or to such other account and/or bank as may from time to time be notified to you by the Agent all moneys forming part of the Rental Income and otherwise to act in accordance with the instructions of the Agent in connection with the Rental Income.

This notice and any non-contractual obligations arising out of or in connection with this notice are governed by the law of England.

Would you please acknowledge receipt of this notice and your acceptance of the instructions and authorisations contained in it by signing the attached form of acknowledgement and returning it to the Agent at Abbey National Treasury Services Plc, 2 Triton Square, Regents Place, London NW1 3AN for the attention of Raphael Koifman/Darren O'Hanton

Yours faithfully,

[]

Part 2

Acknowledgement

To: Abbey National Treasury Services Plc

[Date]

Dear Sirs,

We acknowledge receipt of a notice (a copy of which is attached) dated [] and addressed to us by [] (the "**Chargor**"). Expressions defined in such notice have the same meanings in this acknowledgement.

We acknowledge and confirm that:

1. we will pay the Rental Income into the Rent Account or to such other account and/or bank as the Agent may from time to time notify to us;
2. we have not, as at the date of this letter, received any notice that any third party has or will have any right or interest in or has made or will be making any claim or demand or taking any action against the Rental Income.

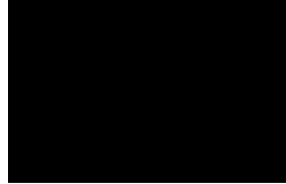
This acknowledgement and any non-contractual obligations arising out of or in connection with this acknowledgement are governed by the law of England [and in connection with any proceedings with respect to this acknowledgement and any such non-contractual obligations we submit to the jurisdiction of the Courts of England for your exclusive benefit].

Yours faithfully,

[]

EXECUTION PAGE – LEGAL CHARGE

EXECUTED AS A DEED by)
ST MODWEN DEVELOPMENTS)
LIMITED)
acting by a director)
in the presence of:)



WILLIAM OLVER Director

Witness signature



Name of witness:

CAROLINE HOCKING

Address of witness:

C/O PARK POINT, 17 HIGH STREET
LONGBRIDGE, BIRMINGHAM
B31 2UQ

EXECUTED as a Deed by)
ABBAY NATIONAL TREASURY)
SERVICES PLC)
acting by)

.....
Authorised signatory

.....
Witness

EXECUTION PAGE – LEGAL CHARGE

EXECUTED AS A DEED by)
ST MODWEN DEVELOPMENTS)
LIMITED)
acting by a director)
in the presence of:)

Director

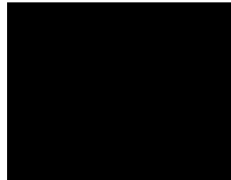
Witness signature

Name of witness:

Address of witness:

.....
.....

EXECUTED as a Deed by)
ABBEY NATIONAL TREASURY)
SERVICES PLC)
acting by)



.....
Authorised signatory



.....
Witness