



Registration of a Charge

Company name: **AJ BELL (PP) TRUSTEES LIMITED**

Company number: **03257389**



X6KS7SCB

Received for Electronic Filing: **07/12/2017**

Details of Charge

Date of creation: **24/11/2017**

Charge code: **0325 7389 1112**

Persons entitled: **THE AGRICULTURAL MORTGAGE CORPORATION PLC**

Brief description: **FREEHOLD PROPERTY KNOWN AS (I) 65 ACRES OF LAND AT HOLME FARM, WEST RASEN, MARKET RASEN, BEING THE LAND SHOWN EDGED RED ON THE PLAN ATTACHED TO THE TRANSFER OF PART DATED 24 NOVEMBER 2017 AND MADE BETWEEN (1) JESSIE ELEANOR FRANKS AND (2) THE COMPANY AND DAVID JOHN LEETHAM NELSTROP (PART TITLE NUMBER LL353988) (II) 5-8 BIRCH COURT, BOSTON ROAD INDUSTRIAL ESTATE, SPRATT CLOSE, HORNCastle LN9 6BS (ALSO KNOWN AS UNIT 6) (TITLE NUMBER LL333850)**

Contains fixed charge(s).

Contains negative pledge.

Chargor acting as a bare trustee for the property.

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: **DEBBIE ASQUITH (ON BEHALF OF WOMBLE BOND DICKINSON (UK) LLP)**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 3257389

Charge code: 0325 7389 1112

The Registrar of Companies for England and Wales hereby certifies that a charge dated 24th November 2017 and created by AJ BELL (PP) TRUSTEES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 7th December 2017 .

Given at Companies House, Cardiff on 11th December 2017

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

Mortgage of freeholds or leaseholds to secure own and third party liabilities

(individual(s) or company. NB no floating charge)

To

The Agricultural Mortgage Corporation PLC

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Schedules

The First Schedule - The Mortgaged Property

The Second Schedule - Additional Terms

The Third Schedule - The Limit on the amount recoverable

Clause 7.3 contains a request to the Chief Land Registrar to note a restriction in the Proprietorship Register.

THIS MORTGAGE DEED is made on the ^(day) 24 day of ^(month) NOVEMBER ^(year) 2017

BETWEEN

Name: A J Bell (PP) Trustees Limited (as trustee of the David John Leetham Nelstrop SIPP)

Company Number: 03257389

Registered Office Address: 4 Exchange Quay, Salford Quays, Manchester, M5 3EE

Name: David John Leetham Nelstrop

Address: [REDACTED]

Name:

Address:

Name:

Address:

As trustees of the David John Leetham Nelstrop SIPP

(the "Mortgagor")

AND The Agricultural Mortgage Corporation PLC (Company number 234742) ("AMC")

Address for communications with AMC under this Mortgage is Charlton Place, Charlton Road, Andover, Hampshire SP10 1RE or at such other address as AMC may from time to time notify to the Mortgagor in writing for this purpose.

This mortgage is executed by the Mortgagor in consideration of AMC making or continuing advances and/or granting or continuing banking accommodation or facilities or giving time or releasing any security or releasing any party from any obligation in respect of advances, accommodation or facilities to the Mortgagor and/or

(In the case of an individual or partnership)

Name: David John Leetham Nelstrop

Address: [REDACTED]

Name:

Address:

Name:

Address:

Name:

Address:

(the "Borrower")

(In the case of a Limited Company):

Name: A J Bell (PP) Trustees Limited (as trustee of the David John Leetham Nelstrop SIPP)

Company Number: 03257389

Registered Office Address: 4 Exchange Quay, Salford Quays, Manchester, M5 3EE

As trustees of the David John Leetham Nelstrop SIPP

(the "Borrower")

1 Definitions and interpretation

1.1 In this Mortgage the following words and expressions shall have the following meanings:

"1925 Act" means the Law of Property Act 1925;

"1986 Act" means the Insolvency Act 1986;

"Additional Terms" means the additional terms, if any, set out in the Second Schedule;

"Agricultural Land" means agricultural land within the meaning of the Agriculture Act 1947;

"Base Rate" means the official bank rate of the Bank of England;

"Chattels" means all furniture, stock, goods, moveable plant, machinery, implements, utensils and equipment now or from time to time placed on or used in or about (but not forming part of) the Mortgaged Property;

"Borrower" includes

(a) where more than one person is named as the Borrower, any one or more of such persons; and

(b) any other person or persons whom the Mortgagor agrees in writing with AMC shall be a Borrower for the purpose of this Mortgage;

"Borrower's Liabilities" means:

- (a) all money and liabilities whether actual or contingent (including further advances made hereafter by AMC and secured directly or indirectly by this Mortgage) which now are or at any time hereafter may be due, owing or incurred from or by the Borrower to AMC anywhere or for which the Borrower may be or become liable to AMC in any manner whatsoever without limitation (and whether alone or jointly with any other person and in whatever style, name or form and whether as principal or surety and notwithstanding that the same may at any earlier time have been due, owing or incurred to some other person and have subsequently become due, owing or incurred to AMC as a result of a transfer, assignment or other transaction or by operation of law) including, but not limited to in the case of the death, bankruptcy, administration, liquidation or dissolution of the Borrower all sums (whether actual or contingent) which would at any time have been owing to AMC by the Borrower if such death or dissolution had occurred or such bankruptcy, administration or liquidation had commenced on the date of discontinuance and notwithstanding such death, bankruptcy, administration, liquidation or dissolution; and
- (b) interest on all such money and liabilities to the date of payment at such rate or rates as may from time to time be agreed between AMC and the Borrower or, in the absence of such agreement, at the rate of five percentage points per annum above Base Rate for the time being in force (or its equivalent or substitute rate for the time being); and
- (c) commission and other banking charges and legal, administrative and other costs, charges and expenses (on a full and unqualified indemnity basis) incurred by AMC in enforcing or endeavouring to enforce payment of such money and liabilities whether by the Borrower or others and in relation to the preparation and enforcement of any security held by or offered to AMC for such liabilities, together with interest computed as provided in paragraph (b) above on each such sum from the date that the same was incurred or fell due;

"Enfranchising Legislation" means any legislation conferring upon a tenant or tenants of property (whether individually or collectively with other tenants of that or other properties) the right to acquire a new lease of that property or to acquire, or require a nominee to acquire, the freehold or any intermediate reversionary interest in that property including (without limitation) the Leasehold Reform Act 1967 and the Leasehold Reform, Housing and Urban Development Act 1993 but does not include Part II of the Landlord and Tenant Act 1954;

"Environmental Law" means all laws (statutory, common law or otherwise) including, without limitation, circulars, guidance notes and codes of practice from time to time regulating the carrying on of any process or activity on premises and any emissions from and all waste produced by such process or activity and any such chemicals or substances relating to the same whether relating to health and safety, the work place, the environment or the provision of energy (including without limitation the Health and Safety at Work etc Act 1974, the Control of Pollution Act 1974, the Environmental Protection Act 1990, the Environment Act 1995, the Water Industry Act 1991, the Water Resources Act 1991, the Statutory Water Companies Act 1991, the Water Consolidation (Consequential Provisions) Act 1991, the Clean Air Act 1993, the Alkali, etc, Works Regulation Act 1906, the Planning (Hazardous Substances) Act 1990, the Public Health Acts and the Radioactive Substances Act 1993 and any European Union directives or regulations regulating the same) from time to time in force and any instrument, plan, regulation, permission, authorization and direction made or issued thereunder or deriving validity therefrom;

"Environmental Licence" means any permit, licence, authorisation, consent or other approval required by or given pursuant to any Environmental Law;

"Insolvency Event" in relation to the Mortgagor or the Borrower means each of the following:

- (a) a meeting is convened for the purpose of considering a resolution to wind up the Mortgagor or the Borrower;
- (b) such a resolution as is mentioned in paragraph (a) is passed;
- (c) a meeting of the directors of the Mortgagor or the Borrower is convened for the purpose of considering a resolution to seek a winding up order, an administration order or the appointment of an administrator;
- (d) such a resolution as is mentioned in paragraph (c) is passed;
- (e) a petition for a winding up or for bankruptcy or an application for an administration order is made by the Mortgagor or the Borrower or their directors or is presented against the Mortgagor or the Borrower;
- (f) such an order as is mentioned in paragraph (e) is made;
- (g) a notice of appointment of or notice of intention to appoint an administrator under Schedule B1 to the 1986 Act is issued by the Mortgagor or the Borrower or their directors or by the holder of a qualifying floating charge (as defined in such Schedule) or a proposal is made for, or the Mortgagor or the Borrower becomes subject to, any voluntary arrangement or the directors of the Mortgagor or the Borrower take steps to obtain a moratorium;
- (h) a receiver (administrative or otherwise) is appointed over all or part of the Mortgagor's or the Borrower's assets;
- (i) any action is taken in any jurisdiction which is similar or analogous to any of the foregoing;
- (j) the Mortgagor or the Borrower takes part in any action (including entering negotiations) with a view to readjustment, rescheduling, forgiveness or deferral of any part of the Mortgagor's or the Borrower's indebtedness;

- (k) the Mortgagor or the Borrower proposes or makes any general assignment, composition or arrangement with or for the benefit of all or some of the Mortgagor's or the Borrower's creditors;
- (l) the Mortgagor or the Borrower suspends or threatens to suspend making payments to all or some of the Mortgagor's or the Borrower's creditors; or
- (m) AMC has reasonable grounds for believing that any of the foregoing is imminent;

"Intellectual Property Rights" means:

- (a) all present and future copyrights, patents, designs, trademarks, service marks, brand names, inventions, design rights, know-how, formulas, confidential information, trade secrets, computer software programmes, computer systems and all other intellectual property rights whatsoever without limitation, whether registered or unregistered, in all or any part of the world, in which the Mortgagor is legally, beneficially or otherwise interested;
- (b) the benefit of any pending applications for the same and all benefits deriving therefrom and thereunder including but not limited to royalties, fees, profit sharing agreements and income arising therefrom and all licences in respect of or relating to any intellectual property rights, whether such licences are granted to the Mortgagor or granted by the Mortgagor; and
- (c) every item of physical material of any description or type whatever in or in respect of which intellectual property rights may subsist and in respect of each such item the original copy or version or variant owned by, produced by or delivered to or obtained by the Mortgagor and any rejected and surplus materials associated or connected with or forming part of the foregoing which shall include, without limitation, any and all manuals and translations thereof, log books, designs, sketches, algorithms, calculations, diagrams, computations, source codes, models, prototypes, apparatus, computer programmes, photographs, books and other records in any medium, electronic data and any other material of any description whatever in which intellectual property may be incorporated;

"Mortgaged Assets" means the Mortgaged Property and all of the other assets, rights and properties assigned, mortgaged or charged under or pursuant to this Mortgage, and such expression shall include all or any part thereof;

"Mortgaged Licences" means all present and future licences, permits, consents and authorisations (if any) (including Environmental Licences to the extent they are capable of being charged) held in connection with any business at any time carried on by the Mortgagor at the Mortgaged Property;

"Mortgaged Property" means the property specified in the First Schedule (and where such property is leasehold, any present or future right, interest or term conferred upon the Mortgagor in relation thereto by virtue of any Enfranchising Legislation including any rights arising against any nominee purchaser pursuant thereto) and all buildings and fixtures (including trade fixtures), fixed plant and machinery from time to time on any such property, and such expression shall include all or any part thereof provided that, where the expression "Mortgagor" is or includes an individual, the term "Mortgaged Property" shall not include any item belonging to the Mortgagor (or any party comprised in the expression the "Mortgagor") or in which the Mortgagor (or such party) may have an interest, being an item which would or would be deemed to be a "personal chattel" within the Bills of Sale Act 1878 and shall not include any item (if not already excluded by the foregoing) which would lead to this Mortgage being a bill of sale;

"Mortgagor's Liabilities" means:

- (a) all money and liabilities whether actual or contingent (including further advances made hereafter by AMC and secured directly or indirectly by this Mortgage) which now are or at any time hereafter may be due, owing or incurred from or by the Mortgagor to AMC anywhere or for which the Mortgagor may be or become liable to AMC in any manner whatsoever without limitation (and whether alone or jointly with any other person and in whatever style, name or form and whether as principal or surety and notwithstanding that the same may at any earlier time have been due, owing or incurred to some other person and have subsequently become due, owing or incurred to AMC as a result of a transfer, assignment or other transaction or by operation of law);
- (b) interest on all such money and liabilities to the date of payment at such rate or rates as may from time to time be agreed between AMC and the Mortgagor or, in the absence of such agreement, at the rate of five percentage points per annum above Base Rate for the time being in force (or its equivalent or substitute rate for the time being); and
- (c) commission and other banking charges and legal, administrative and other costs, charges and expenses incurred by AMC in relation to this Mortgage (including any acts necessary to release the Mortgaged Assets from this security) or in enforcing the security hereby created or enforcing or endeavouring to enforce payment of the sums and liabilities specified in paragraphs (a) and (b) above on a full and unqualified indemnity basis;

"Notice of Discontinuance" means a notice served in accordance with sub-clauses 4.1 and 30.6;

"Planning Acts" means all legislation from time to time regulating the development, use, safety and control of property including without limitation the Town and Country Planning Act 1990 and any instrument, plan, regulation, permission and direction made or issued thereunder or deriving validity therefrom;

"Secured Obligations" means:

- (a) the Borrower's Liabilities;
- (b) the Mortgagor's Liabilities; and
- (c) all other money and liabilities expressed to be secured hereby (including, without limitation, any expenses and charges arising out of or in connection with the acts or matters referred to in clauses 5, 9, 15, 16, 17 and 19), not exceeding the limit on the amount recoverable specified in the Third Schedule (if any); and

"Value Added Tax" includes any other form of sales or turnover tax.

1.2 In this Mortgage:

- (a) the expressions the **"Mortgagor"**, the **"Borrower"** and **"AMC"** where the context admits include their respective successors in title and/or assigns, whether immediate or derivative. Any appointment or removal under clause 12 or consents hereunder may be made or given in writing executed by any such successors or assigns of AMC, and the Mortgagor hereby irrevocably appoints each of such successors and assigns to be the attorney of the Mortgagor in the terms and for the purposes set out in clause 18;

- (b) unless the context requires otherwise:
 - (i) the singular shall include the plural and vice versa;
 - (ii) any reference to a person shall include an individual, company, joint venture, society or unincorporated association, organisation or body of persons (including a trust, a partnership and a limited liability partnership) and any government, government agency or para-statal organisation. References to a person also including that person's successors and assigns;
 - (iii) the expression "this Mortgage" shall mean this mortgage and shall extend to every separate and independent stipulation contained herein;
 - (iv) any liberty or power which may be exercised or any determination which may be made hereunder by AMC may be exercised or made in the absolute and unfettered discretion of AMC which shall not be under any obligation to give reasons therefore;
 - (v) references to any statutory provision, European regulation or directive shall include a reference to any modification or re-enactment thereof for the time being in force, all regulations made thereunder from time to time and any analogous provision or rule under any applicable foreign law;
 - (vi) for the avoidance of any doubt, the rights, powers and discretions conferred upon AMC by or pursuant to this Mortgage shall (unless otherwise expressly stated) apply and be exercisable regardless of whether a demand has been made by AMC for the payment of the Secured Obligations or any of them and regardless of whether the power of sale or other powers and remedies conferred on mortgagees by the 1925 Act or this Mortgage shall have arisen or become exercisable;
 - (vii) if at any time the value of the Borrower's Liabilities is adjusted pursuant to or as a result of any law, regulation or other governmental provision or requirement, then any limit on the amount of the Secured Obligations set out in the Third Schedule shall be automatically adjusted on the same basis;
 - (viii) references to "discontinuance" shall mean discontinuance of this Mortgage effected by a Notice of Discontinuance and discontinuance or determination of this Mortgage or any part thereof by any other means whatsoever (whether or not involving notice to AMC) including (without prejudice to the generality of the foregoing) the administration, liquidation or dissolution of the Borrower or the Mortgagor;
 - (ix) "the date of discontinuance" shall for the purposes of this Mortgage be treated as whichever shall be the earlier of:
 - (a) the date upon which AMC receives actual notice (rather than notice given in any official publication or by newspaper) of such discontinuance; and
 - (b) the date upon which a Notice of Discontinuance becomes effective; and
 - (x) references to clauses, sub-clauses and schedules shall be references to clauses, sub-clauses and schedules of this Mortgage;
 - (c) if there are two or more parties comprised in the expression the "Mortgagor" then:
 - (i) any reference to the "Mortgagor" shall where the context permits include all or any one or more of such parties;
 - (ii) all covenants and agreements herein contained or implied on the part of the Mortgagor shall be deemed to be joint and several covenants on the part of such parties;
 - (iii) if for any reason whatsoever this Mortgage shall not be, or shall cease to be, binding on and effective against one or more of such parties, or shall not be, or shall cease to be, a valid and effective charge over or assignment of the Mortgaged Assets (as the case may be), then this Mortgage shall take effect as a charge over or assignment of the beneficial interest of the other such party or parties in the Mortgaged Assets and over such other estate, right, title or interest in the Mortgaged Assets as such other party or parties may have;
 - (iv) any demand made under this deed shall be deemed to have been duly made if made on any one or more of such parties; and
 - (v) if any one or more of such parties is not bound by the provisions of this deed (whether by reason of lack of capacity or improper execution of this deed or for any other reason whatsoever) the remaining party or parties shall be and remain bound by the provisions of this deed as if such other party or parties had never been party hereto.

1.3 The clause headings and marginal notes shall be ignored in construing this deed.

1.4 The perpetuity period applicable to any trust constituted by this deed shall be one hundred and twenty five years.

1.5 This Mortgage is intended to take effect as a deed notwithstanding that AMC may have executed it under hand only.

2 Agreement to pay

The Mortgagor shall pay the Mortgagor's Liabilities to AMC in accordance with any relevant agreement between AMC and the Mortgagor relating to the Mortgagor's Liabilities or, in the absence of any such agreement, on demand.

3 Charges and assignments

- 3.1 (a) The Mortgagor with full title guarantee charges by way of legal mortgage the Mortgaged Property as a continuing security for the payment to AMC of the Secured Obligations.
- (b) The Mortgagor with full title guarantee assigns to AMC all amounts now or hereafter owing to the Mortgagor by way of rent, rent charge, licence fee, service charge, dilapidations or otherwise by any tenant, licensee or occupier (in any such case whether present or future) of the Mortgaged Property, and by way of rent deposit or purchase deposit relating to the Mortgaged Property together with, in each case, the proceeds thereof and all rights to recover the same, subject to re-assignment on payment of all the Secured Obligations.
- 3.2 The Mortgagor with full title guarantee assigns to AMC the goodwill of the business (if any) now or at any time hereafter carried on by the Mortgagor at the Mortgaged Property and the full benefit of the Mortgaged Licences (if any) and also the full right to recover and receive all compensation which may at any time become payable to the Mortgagor by virtue of the Licensing Act 2003 or any other statutory enactment subject to re-assignment upon payment of all the Secured Obligations.
- 3.3 (a) The Mortgagor with full title guarantee hereby assigns to AMC the benefit of all guarantees or covenants by any surety or sureties of any of the lessee's obligations under any existing lease or underlease of the Mortgaged Property, subject to re-assignment upon payment of all the Secured Obligations.
- (b) The Mortgagor shall at any time if and when required by AMC execute to AMC or as AMC shall direct an assignment or assignments of the benefit of all guarantees or covenants by any surety or sureties of any of the lessee's obligations under any lease or underlease of the Mortgaged

Property hereafter granted to secure the Secured Obligations, such assignments to be prepared by or on behalf of AMC at the cost of the Mortgagor and to contain all such clauses for the benefit of AMC as AMC may require.

- 3.4 Where the Mortgagor (by virtue of an estate or interest in the Mortgaged Property) is entitled to a share or shares in any company connected with the Mortgaged Property:
- (a) the Mortgagor with full title guarantee charges by way of fixed charge such share or shares and all rights, benefits and advantages at any time arising in respect of the same (hereinafter called the "Share(s)") as a continuing security for the payment to AMC of the Secured Obligations; and
 - (b) the Mortgagor shall (if AMC so requires) transfer the Share(s) to AMC or as AMC shall direct and shall deposit the certificate(s) relating to the Share(s) with AMC.
- 3.5 The Mortgagor with full title guarantee assigns to AMC the Intellectual Property Rights that arise in connection with the business (if any) now or at any time hereafter carried on by the Mortgagor at the Mortgaged Property, subject to re-assignment on payment of all the Secured Obligations.
- 3.6 If there are two or more parties comprised in the expression the "Mortgagor" each of such parties with full title guarantee hereby charges and assigns all such party's estate, rights, title and interest in the Mortgaged Assets to secure payment of the Secured Obligations.
- 3.7 The security hereby constituted shall extend to all beneficial interests of the Mortgagor in the Mortgaged Assets and to any proceeds of sale or other realisation thereof or of any part thereof.
- 3.8 If a limit on the amount recoverable under this Mortgage has been inserted in the Third Schedule:
- (a) such limit shall not in any way prejudice or affect any right of AMC independently of this Mortgage to recover the total sum due to AMC; and
 - (b) if the Secured Obligations exceed the said limit AMC may conclusively determine what part of the Secured Obligations (not exceeding the said limit) shall be deemed secured by this Mortgage and what part or parts thereof shall be deemed not so secured.
- 3.9 The Mortgagor represents and warrants that, at the date that the Mortgagor executes this Mortgage, the Mortgagor has made full disclosure in writing to AMC of:
- (a) any information relating to each part of the Mortgaged Assets and each right held by any other person in relation to any part of the Mortgaged Assets which, in each case, would be material to AMC in relation to the appropriateness or adequacy of any part of the Mortgaged Assets as security for the Secured Obligations; and
 - (b) each matter in respect of which AMC has requested information from the Mortgagor in connection with this Mortgage.

4 Preventing Further Borrower's Liabilities being Secured

- 4.1 The Mortgagor may give written notice to AMC to prevent further Borrower's Liabilities being secured by this Mortgage. The Mortgagor or the Borrower (or any personal representative(s), trustee in bankruptcy, receiver appointed under the Mental Health Act 1983, liquidator or administrator of the Mortgagor or the Borrower) may also give AMC written notice of the death, bankruptcy, mental incapacity, liquidation, administration or dissolution of the Mortgagor or the Borrower, which notice shall have the same effect as a notice given by the Mortgagor as above. Any such notice shall only be valid and become effective when the provisions of sub-clause 30.6 are met.
- 4.2 When any Notice of Discontinuance becomes effective under the terms of sub-clause 30.6, there shall continue to be secured by and recoverable under this Mortgage:
- (a) the Secured Obligations which at the date that such Notice of Discontinuance became effective were (whether actually or contingently) secured by this Mortgage;
 - (b) all money and liabilities (whether actual or contingent) which become due, owing or incurred by the Borrower to AMC after that date by reason of agreements, events, transactions or any other fact or matter whatsoever without limitation occurring or arising on or before that date; and
 - (c) any Mortgagor's Liabilities arising after that date and any interest, commission and banking charges and legal and other costs charges and expenses which accrue or are incurred after that date and which form part of the Secured Obligations.

5 Costs and expenses

- 5.1 The Mortgagor agrees to pay to AMC on demand all legal and other costs, charges and expenses (on a full and unqualified indemnity basis) incurred by AMC (whether before or after the power of sale has arisen hereunder or the date of discontinuance):
- (a) in enforcing or endeavouring to enforce this Mortgage or otherwise in relation to this Mortgage (including any acts necessary to release the Mortgaged Assets from this security);
 - (b) in resisting or endeavouring to resist any claims or defences made against AMC by the Borrower in connection with any liabilities or alleged liabilities to AMC of the Borrower or any money or benefits received by or any preference or alleged preference given to AMC by the Borrower; and
 - (c) in connection with effecting any appointment of any receiver or administrator or in dealing with any appointment of, or notice of intention or application to appoint, any receiver or administrator by any party including the Mortgagor and without prejudice to any other right or process of recovering such costs.
- 5.2 If any payment made by or on behalf of AMC hereunder includes an amount in respect of Value Added Tax, or if any payment due to AMC hereunder shall be in reimbursement of any expenditure by or on behalf of AMC which includes an amount in respect of Value Added Tax, then such an amount shall be payable by the Mortgagor to AMC on demand.
- 5.3 Without prejudice to the generality of clause 12, the Mortgagor shall pay to AMC all costs incurred or suffered by AMC and any receiver appointed by AMC shall be entitled to recover as a receivership expense, all costs incurred or suffered by him:
- (a) in connection with any application under Part III of the 1986 Act; and
 - (b) in defending proceedings brought by any third party impugning AMC's title to this security or the enforcement or exercise of the rights and remedies of AMC or any such receiver hereunder.

- 5.4 The Mortgagor agrees to pay on demand any fees charged by AMC for the time spent by AMC's officials, employees or agents in dealing with any matter relating to this Mortgage. Such fees shall be payable at such rate as may be specified by AMC.
- 5.5 The Mortgagor agrees to pay to AMC on demand interest on each sum referred to in this clause 5 (except interest provided for by this sub-clause 5.5) and on all costs awarded to AMC or agreed to be paid to AMC in any proceedings brought by the Mortgagor against AMC from the date of the award or agreement, such interest to be at the higher of:
- (a) the rate of five percentage points per annum above Base Rate for the time being in force (or its equivalent or substitute rate for the time being); or
 - (b) the rate payable by the Mortgagor or the Borrower (as the case may be) or which, but for any such matter or event as is mentioned in clause 6, would have been payable by the Borrower.
- 5.6 Without prejudice to the right of AMC to require payment of such interest, all such interest shall be compounded both before and after any demand or judgment and shall be paid on AMC's usual charging dates in each year.
- 5.7 All amounts referred to in this clause 5 shall, pending payment, be secured hereby.

6 Unenforceability of Borrower's Liabilities

Any money and liabilities which, but for the circumstances set out in this clause 6, would form all or part of the Borrower's Liabilities and which cannot be recovered or cannot for the time being be recovered by AMC from the Borrower for any reason whatsoever including (without prejudice to the generality of the foregoing):

- (a) any legal disability or incapacity of the Borrower;
- (b) any invalidity or illegality affecting any of such money or liabilities;
- (c) any want of authority in any person purporting to act on behalf of the Borrower;
- (d) any provision of bankruptcy or insolvency law;
- (e) the death, liquidation or dissolution of the Borrower and the inability of AMC to make effective demand on the Borrower as a result of such death, liquidation or dissolution of the Borrower;
- (f) the passage of time under any relevant Limitation Act;
- (g) any moratorium or any statute, decree or requirement of any governmental or other authority in any territory;
- (h) any inability of the Borrower to acquire or effect payment in the currency or currency unit in which any such money or liabilities are denominated or to effect payment in the place where any such money or liabilities are or are expressed to be payable;
- (i) any event of force majeure or any event frustrating payment of such money or liabilities; or
- (j) any other event or circumstance (apart from payment or express release of the Borrower's Liabilities) which would constitute or afford a legal or equitable discharge or release of, or defence to, a guarantor or indemnifier,

shall nevertheless be secured by and recoverable under this Mortgage (subject to any limit specified in the Third Schedule), whether any such reason or circumstance shall have been made known to AMC before or after such money or liabilities were incurred.

7 Restrictions and Warranties

- 7.1 The Mortgagor shall not without the prior written consent of AMC sell, assign, license, sub-license or otherwise dispose of or deal in any other way with the Mortgaged Assets.
- 7.2 The Mortgagor shall not without the prior written consent of AMC:
- (a) create or permit to subsist or arise any mortgage, debenture, hypothecation, charge, assignment by way of security, pledge or lien or any other encumbrance or security whatsoever over all or any part of the Mortgaged Assets or over the Chattels; or
 - (b) enter into any contractual or other agreement or arrangement which has or may have an economic effect similar or analogous to any such encumbrance or security as would be prohibited by sub-clause 7.2(a).
- 7.3 The Mortgagor hereby requests the Chief Land Registrar to register the following restriction on the Proprietorship Register of any registered land forming part of the Mortgaged Property:
- "RESTRICTION
- 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 entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [●] in favour of The Agricultural Mortgage Corporation PLC referred to in the Charges Register"
- 7.4 The Mortgagor represents and warrants to AMC, and so that each such representation and warranty shall be deemed to be repeated on each day during the continuance of this security, that, except to the extent disclosed by the Mortgagor to AMC in writing prior to the date hereof:
- (a) the Mortgagor has not exercised any option to tax pursuant to paragraph 2 of Schedule 10 to the Value Added Tax Act 1994 in relation to any part of the Mortgaged Property;
 - (b) no circumstances have occurred during the Mortgagor's ownership of the Mortgaged Property and, so far as the Mortgagor is aware, no circumstances occurred prior to the Mortgagor's ownership of the Mortgaged Property, which have led or could lead to a competent authority or a third party taking any action or making a claim under any Environmental Laws (including the requirement to clean up or remedy in any other way any contaminated part of the environment or the revocation, suspension, variation or non-renewal of any Environmental Licence) or which have led or could lead to the Mortgagor having to take action to avert the possibility of any such action or claim;
 - (c) the charges and assignments contained in clause 2 do not infringe any Intellectual Property Rights whether registered or unregistered whatsoever; and
 - (d) the Mortgagor is solely and beneficially interested in the Mortgaged Assets.

7.5 The Mortgagor shall not make or revoke such an option as is referred to in sub-clause 7.4(a) in relation to any part of the Mortgaged Property without AMC's prior written consent or unless AMC requests the Mortgagor to do so, in which case the Mortgagor shall immediately make or revoke (as the case may be) such an election in relation to any part of the Mortgaged Property that AMC considers appropriate and give valid notification of it to H.M. Revenue & Customs.

8 Further assurance

8.1 The Mortgagor shall at any time if and when required by AMC execute and deliver to AMC or as AMC shall direct such further legal or other assignments, mortgages, securities, charges, agreements and other legal documentation as AMC shall require of and on all or any of the Mortgaged Assets to secure the Secured Obligations, such assignments, mortgages, securities, charges, agreements and other legal documentation to be prepared by or on behalf of AMC at the cost of the Mortgagor and to contain all such clauses for the benefit of AMC as AMC may require including, if so required by AMC, in the case of a mortgage or charge on the Mortgaged Property or the proceeds of sale thereof, any such clauses as are contained in any of AMC's standard forms of mortgage from time to time.

8.2 The Mortgagor shall at any time if and when required by AMC give notice to such parties as AMC may require of the assignments, mortgages and charges hereby effected and any such further legal or other assignments, mortgages, securities, charges, agreements and other legal documentation, and shall take such other steps as AMC may require to perfect any of the same.

8.3 Upon demand at any time and at the Mortgagor's cost, the Mortgagor shall take all steps and do all such things as AMC may consider to be necessary or desirable to give effect to this security and to procure the perfection, pursuant to any and all statutory requirements, of the security intended to be granted by this Mortgage.

9 Dealings with Chattels

If AMC or any receiver appointed by AMC takes possession of the Mortgaged Property:

- (a) AMC or any receiver appointed by AMC is hereby authorised as agent for the Mortgagor if it or he elects so to do to remove, warehouse, store or sell any Chattels which the Mortgagor shall fail or refuse to remove from the Mortgaged Property within seven days of being requested so to do by notice from AMC or any receiver appointed by AMC, and neither AMC nor any such receiver shall be liable for any loss or damage occasioned to the Mortgagor;
- (b) the Mortgagor shall indemnify AMC and any receiver appointed by AMC against all expenses incurred by AMC or any such receiver in relation to such Chattels including expenses of removal and storage and against all liability to any third party in respect thereof, and such expenses and liabilities shall be paid by the Mortgagor on demand with interest computed and payable as provided in sub-clauses 5.5 and 5.6 from the time or respective times of the same having been paid or incurred by AMC or the receiver as the case may be and, until payment, shall be secured hereby;
- (c) AMC or any receiver appointed by it, as the case may be, shall account to the Mortgagor for the proceeds of any such sale after deducting any such expenses and conditionally upon the Mortgagor procuring the release of AMC and such receiver from all liability for any charges or expenses in respect of future storage of any such Chattels;
- (d) AMC or any receiver appointed by it, as the case may be, shall not be liable to the Mortgagor for any act or omission by any person appointed by it or him to effect such sale or for any failure by any such person to obtain a proper price provided only that such appointment shall have been made by AMC or such receiver in good faith;
- (e) the Mortgagor shall not sell or otherwise dispose of the Chattels or encumber them in any way nor remove them from the Mortgaged Property unless requested to do so pursuant to sub-clause 9(a).

10 AMC's powers of sale and leasing

- 10.1
- (a) The powers and remedies conferred on mortgagees by the 1925 Act shall apply to this Mortgage but without the restriction on the exercise of the power of sale imposed by section 103 of that Act, and the statutory powers of leasing conferred on AMC shall be extended so as to authorise AMC to lease and make agreements for leases at a premium or otherwise and to accept surrenders of leases and grant options as AMC shall think expedient, without the need to observe any of the provisions of sections 99 and 100 of the 1925 Act.
 - (b) AMC in exercising its statutory power of sale and any receiver appointed by AMC in exercising his powers hereunder shall be at liberty to sell at such price and on such terms and conditions as it or he in its or his sole discretion thinks fit and shall not be under any duty or obligation to obtain the best or any particular price.
 - (c) Neither AMC nor any such receiver shall be liable to the Mortgagor or any other person for any loss, damage, cost, expense or liability which the Mortgagor or any such person may suffer or incur as a direct or indirect result of AMC exercising its statutory power of sale, as hereby varied or extended, or such receiver exercising his powers hereunder.
- 10.2 In favour of a purchaser the Secured Obligations shall be deemed to have become due on the day on which demand for payment thereof is made by AMC, and the statutory power of sale as hereby varied or extended shall be exercisable from and after that date, which date (without prejudice to the equitable right to redeem) shall be the redemption date.

11 Mortgagor's powers of leasing and licensing

The Mortgagor shall not, without the prior written consent of AMC, in relation to any of the Mortgaged Property:

- (a) exercise the statutory powers and any other powers of leasing, letting, entering into agreements for leases or lettings and accepting or agreeing to accept surrenders of leases; or
- (b) part with possession of the Mortgaged Property or grant any lease, tenancy, licence, right or interest to occupy the Mortgaged Property; or
- (c) amend or confer upon any person any lease, tenancy, licence, right or interest to occupy the same or any part thereof or grant any licence or permission to assign, underlet or part with possession of the same or any part thereof.

12 Appointment and powers of a receiver

- 12.1
- (a) At any time after AMC shall have demanded payment of any of the Secured Obligations or the Mortgagor shall have requested it so to do or an Insolvency Event shall have occurred, AMC shall have power in writing under the hand of any official of AMC authorised by AMC from time to time or any person authorised by any such official in writing to appoint such person or persons as AMC thinks fit to be a receiver or joint receivers or several receivers or joint and several receivers of the Mortgaged Assets to act, in the case of two or more receivers, jointly,

severally or jointly and severally in relation to any part of the Mortgaged Assets, and to the extent permitted by law similarly to remove any such receiver and to appoint another or others in his place.

- (b) If AMC excludes any part of the Mortgaged Assets from the appointment of a receiver, AMC may subsequently extend that appointment (or that of any receiver replacing such receiver) to such excluded part of the Mortgaged Assets.

12.2 Any such receiver may in the name or on behalf and at the cost of the Mortgagor or at his option in the name of AMC (but only with the specific approval in writing of AMC) or at his option in his own name (and in any case notwithstanding any bankruptcy, death, mental incapacity, administration or liquidation of the Mortgagor) do or omit to do anything which the Mortgagor could do or omit to do in relation to the Mortgaged Assets or the Chattels or any of them and (in addition) may exercise in relation thereto all or any of the powers specified in Schedule 1 to the 1986 Act (notwithstanding that the receiver may not be an administrative receiver and notwithstanding that the Mortgagor may not be or include a company), and in particular (but without prejudice to the generality of the foregoing) any such receiver may:

- (a) deal with, take possession of, cultivate, collect and get in the Mortgaged Assets or the Chattels;
- (b) carry on, manage, develop or diversify or concur in carrying on, managing, developing or diversifying any business of the Mortgagor at any time carried on by the Mortgagor at the Mortgaged Property, and for any of those purposes receive, retain or use any Chattels and any proceeds, books or records of such business and carry out or complete (with or without modification) on the Mortgaged Property any works of demolition, building, repair, construction, furnishing or any project or development in which the Mortgagor was engaged;
- (c) raise or borrow any money from or incur any other liability to AMC or any other person and on such terms as to interest or otherwise and with or without security as such receiver may think expedient, and so that any such security may, with the prior consent of AMC, be or include a charge on the Mortgaged Assets ranking either in priority to or pari passu with or after the security hereby created;
- (d) forthwith and without the restriction imposed by Section 103 of the 1925 Act sell, realise, dispose of or concur in selling, realising or disposing of (but where necessary with the leave of the Court) and without the need to observe any of the provisions of Sections 99 and 100 of the 1925 Act let or concur in letting or surrender or concur in surrendering or accept surrenders of leases or tenancies of all or any part of the Mortgaged Assets;
- (e) carry any sale, realisation, disposal, lease, tenancy or surrender of the Mortgaged Assets into effect by conveying, transferring, assigning, leasing, letting, surrendering or accepting surrenders in the name and on behalf of the Mortgagor (or other the estate owner), and so that covenants and contractual obligations may be granted in the name of and so as to bind the Mortgagor (or other the estate owner) so far as such receiver may consider it necessary, appropriate or expedient for the exercise of the powers conferred by this Mortgage so to do. Any such sale, realisation, disposal, lease or tenancy may be for cash, debentures or other obligations, shares, stock or other valuable consideration and may be payable in a lump sum or by instalments spread over such period as such receiver shall think fit, and so that any consideration received or receivable shall forthwith be and become charged with the payment of the Secured Obligations. Plant, machinery and other fixtures may be severed and sold separately from the premises containing them without the consent of the Mortgagor being obtained thereto;
- (f) apply for and obtain any approval, permission, consent and licence (including any Environmental Licence, planning permission and building regulation approval) enter into and perform contracts and arrangements, purchase materials and incur any type of obligation;
- (g)
 - (i) promote the formation of a subsidiary or subsidiaries of the Mortgagor with a view to such subsidiary or subsidiaries purchasing, leasing, licensing or otherwise acquiring interests in or the use of the Mortgaged Assets and the Chattels or with a view to such subsidiary or subsidiaries engaging employees or providing management or other services in connection therewith or for any other purpose or function which may be regarded as necessary or appropriate by such receiver from time to time;
 - (ii) arrange for such subsidiary or subsidiaries to trade or cease to trade as such receiver may think fit from time to time;
 - (iii) arrange for the purchase, lease, licence or acquisition of the Mortgaged Assets and the Chattels by such subsidiary or subsidiaries on a basis whereby the consideration may be cash, shares, debentures, loan stock, convertible loan stock or other securities, shares of profits or sums calculated by reference to profits or turnover or royalties or licence fees or otherwise howsoever and whether or not secured on the assets of the subsidiary or subsidiaries and whether or not such consideration is payable or receivable in a lump sum or by instalments spread over such period as such receiver may think fit;
 - (h) take any proceedings in relation to the Mortgaged Assets in the name of the Mortgagor or otherwise as may seem expedient including (without prejudice to the generality of the foregoing) proceedings for the collection of rent in arrears at the date of his appointment;
 - (i) enter into any agreement or make any arrangement or compromise as such receiver shall think expedient in respect of the Mortgaged Assets or the Chattels;
 - (j) exercise the Mortgagor's rights under any rent review clause in respect of the Mortgaged Property or grant or apply for any new or extended tenancy thereof;
 - (k) exercise all or any of the powers conferred by clause 9 and repair, renew or improve any Chattels used by such receiver for the purposes of any business of the Mortgagor at any time carried on at the Mortgaged Property;
 - (l) insure the Mortgaged Assets and the Chattels and maintain or renew any insurance of the same in such manner as such receiver shall think fit or as AMC shall from time to time direct;
 - (m) appoint managers, agents, officers and employees for any of the aforesaid purposes at such salaries and for such periods as such receiver may determine;
 - (n) adopt any contracts of employment entered into between the Mortgagor and any employees of the Mortgagor with such variations to the contracts as such receiver may think fit, and dismiss any such employees;
 - (o) cause the Mortgagor to grant such powers of attorney or appoint agents for any of the aforesaid purposes as such receiver may from time to time think expedient;
 - (p) do all such things as may be thought necessary for the management of the affairs, business and property of the Mortgagor;
 - (q) grant, vary and release easements and other rights over the Mortgaged Property and impose, vary or release covenants affecting the Mortgaged Property and agree that the Mortgaged Property may be subject to any easements or covenants;
 - (r) purchase any freehold and leasehold properties and other capital assets if such receiver considers it would be conducive to realisation of AMC's security to do so; and

- (s) do all such other things as may from time to time be considered by such receiver to be incidental or conducive to any of the matters or powers aforesaid or otherwise incidental or conducive to the realisation of AMC's security or the exercise of his functions as receiver.
- 12.3 Sub-section 109(8) of the 1925 Act shall not apply and all money received by such receiver shall be applied:
 - (a) first in payment of his remuneration and the costs of realisation including all costs and expenses of or incidental to any exercise of any power hereby conferred;
 - (b) secondly (if such receiver thinks fit, but not otherwise) in or towards payment of all or any of the matters referred to in paragraphs (i), (ii), (iii) and (iv) of Sub-section 109(8) of the 1925 Act as he in his absolute discretion shall decide;
 - (c) thirdly (when so required) in or towards satisfaction of the Secured Obligations.
- 12.4 Any such receiver shall be deemed to be the agent of the Mortgagor who alone shall be responsible for his acts or defaults and for his remuneration.
- 12.5 Any such receiver shall be entitled to remuneration for his services and the services of his firm at a rate or rates or in an amount or amounts as may from time to time be agreed between AMC and such receiver or (in default of agreement) as may be appropriate to the work and responsibilities involved upon the basis of charging from time to time adopted by such receiver in accordance with the current practice of such receiver or his firm and without in either such case being limited by the maximum rate specified in Section 109(6) of the 1925 Act.
- 12.6 If AMC shall appoint more than one receiver the powers given to a receiver hereby and by statute shall be exercisable by all or any one or more of such receivers, and any reference in this Mortgage to "receiver" shall be construed accordingly.
- 12.7 The powers conferred by this clause 12 shall be in addition to all powers given by statute to AMC or to any such receiver.
- 12.8 Only money actually paid by such receiver to AMC shall be capable of being applied by AMC in or towards satisfaction of the Secured Obligations.
- 12.9 Where the expression "Mortgagor" is or includes an individual, the powers conferred on a receiver by this clause 12 shall have effect only in so far as such power would not give rise to a bill of sale.

13 Protection of Third Parties

- 13.1 No person (each a "Third Party", including any insurer, assurer, purchaser or security holder) dealing with AMC or any receiver appointed by it or their respective employees and agents need enquire:
 - (a) whether any right, exercised or purported to be exercised by AMC, such receiver or their respective employees and agents, has become exercisable; or
 - (b) whether any one or more of the Secured Obligations is due or remains outstanding; or
 - (c) as to the propriety or regularity of anything done (including any sale, dealing or application of money paid, raised or borrowed) by AMC, such receiver or their respective employees and agents.
- 13.2 Each of those things shall (as between that Third Party on the one hand and AMC or any receiver appointed by it or their respective employees or agents on the other hand) be deemed to be exercisable, due, outstanding, proper, regular and within the terms of this Mortgage (as the case may be) and be fully valid and effective.
- 13.3 All the protections to purchasers contained in Sections 104 and 107 of the 1925 Act and to persons contained in Section 42(3) of the 1986 Act apply to each Third Party.
- 13.4 AMC, any receiver appointed by it and their respective employees and agents may give receipts to any Third Party. The Mortgagor agrees that each receipt shall be an absolute and conclusive discharge to such Third Party and shall relieve such Third Party of any obligations to see to the application of any assets paid or transferred to or by the direction of AMC, such receiver, employee or agent.

14 Covenants

The Mortgagor shall:

- (a) cultivate and manage any Agricultural Land in accordance with the principles of good husbandry or, where applicable, so that it is kept in good agricultural and environmental condition in accordance with Council Regulation (EC) 1782/2003, Regulation (EU) No 1306/2013, Regulation (EU) No 1307/2013, Commission Delegated Regulation (EU) No 639/2014, Commission Implementing Regulation (EU) No 641/2014 and any other applicable regulations made by European institutions or authorities or payment agencies in the United Kingdom or other standard applicable whether under such regulations or any agri-environment scheme applicable to the Agricultural Land;
- (b) pay the rent and other outgoings reserved or payable under any lease under which the Mortgaged Property is held by the Mortgagor and any rent-charge or other outgoing charged upon the Mortgaged Property, and produce to AMC on demand any receipt for such payment and further perform and observe all covenants, regulations and agreements on the part of the lessee and conditions contained in any such lease;
- (c) comply with all relevant licences, consents, permissions and conditions from time to time granted or imposed by the Planning Acts and not without the prior written consent of AMC enter into any agreement with any relevant planning authority affecting the Mortgaged Property;
- (d) not make or consent to the making of any application for planning permission or any other application under the Planning Acts affecting the Mortgaged Property unless either AMC has consented in writing to such application being made or a copy of the proposed application has been sent to AMC at least one month before the date of the application and AMC has raised no objection to the making of the application;
- (e) forthwith upon receipt of any permission, notice, order, proposal or recommendation given or issued by any competent planning authority to the owner or occupier of the Mortgaged Property or any notice under Section 146 of the 1925 Act or otherwise from any superior landlord of the Mortgaged Property, forward the same or a true copy thereof to AMC;
- (f) not demolish or remove any part of the Mortgaged Property nor sever or remove from the Mortgaged Property any trade or other fixtures or fixed plant and machinery for the time being thereon except for the purpose of renewing or replacing the same by trade or other fixtures or fixed plant and machinery of equal or greater value;
- (g) permit AMC or its agents (at the cost of the Mortgagor) at any time to enter upon the Mortgaged Property for the purpose of establishing whether or not the Mortgagor is complying fully with the Mortgagor's obligations under this Mortgage;

- (h) where the Mortgaged Property is held under a lease:
- (i) notify AMC forthwith if the Mortgaged Property becomes subject to an Estate Management Scheme pursuant to Chapter IV of Part I of the Leasehold Reform, Housing and Urban Development Act 1993, and provide a copy of the scheme deed as approved by the relevant leasehold valuation tribunal;
- (ii) notify AMC before exercising (whether individually or collectively with others) any right conferred upon the Mortgagor in relation to the Mortgaged Property by Enfranchising Legislation, and supply to AMC such information as it may reasonably require in relation to the exercise of such right;
- (iii) not without the prior written consent of AMC agree the terms of any new lease of the Mortgaged Property (with or without any further property) to be granted to the Mortgagor pursuant to any Enfranchising Legislation or otherwise;
- (iv) if as a result of the exercise of any rights conferred by Enfranchising Legislation or otherwise the freehold interest or any intermediate reversionary interest in the Mortgaged Property becomes vested in a third party on behalf of the Mortgagor (with or without others), forthwith supply to AMC particulars of such third party and (where such third party is a body corporate) details of any shares therein to be issued to the Mortgagor and deliver the share certificate in respect thereof to AMC when received; and
- (v) at its own cost take such further action as AMC may require in relation to the security granted by this Mortgage.
- (i) where the Mortgaged Property or any part of it is or (without prejudice to clause 11) becomes subject to any tenancy:
 - (i) forthwith notify AMC on receipt of (and provide to AMC a copy of) any notices received from any tenant of the Mortgaged Property pursuant to the provisions of any Enfranchising Legislation;
 - (ii) not without the prior written agreement of AMC serve upon any tenant of the Mortgaged Property a notice pursuant to the provisions of any Enfranchising Legislation;
 - (iii) serve such notices in such form and take such other steps as AMC may reasonably require following the exercise by any tenant of the Mortgaged Property of any rights arising under Enfranchising Legislation;
 - (iv) not without the prior written agreement of AMC enter into any agreement to grant a new lease to any tenant of the Mortgaged Property pursuant to or in consequence of the operation of any Enfranchising Legislation; and
 - (v) not without the prior written agreement of AMC enter into any agreement pursuant to or in consequence of the operation of any Enfranchising Legislation to transfer to any person or persons the Mortgagor's interest in the Mortgaged Property subject to this Mortgage and (if such agreement be given) provide to AMC such information in respect of any such transfer and its terms (including the identity of the transferees) as AMC may reasonably require.

15 Repair and Insurance

15.1 The Mortgagor shall:

- (a) keep the Mortgaged Assets in a good state of repair and insured with reputable insurers and on terms approved by AMC against loss or damage by fire and by terrorist damage and such other risks and contingencies as may be required by AMC in their full reinstatement value. In the event that lending facilities in excess of £10,000,000 are supported by an individual dwelling(s) or building(s) we will require the property to be insured through a composite insurance arrangement.
- (b) (unless the insurance to which such policy or policies relate and which was approved by AMC was effected by a landlord) if requested to do so by AMC deposit the relevant policy or policies with AMC;
- (c) duly pay all premiums and sums payable for this purpose and, if requested to do so by AMC, produce the receipts therefor to AMC on demand; and
- (d) ensure that the relevant policy or policies remain valid at all times.

15.2

- (a) If default shall at any time be made by the Mortgagor in keeping the Mortgaged Assets, or any part thereof in a good state of repair or in effecting or keeping up any such insurance or in paying any rent or other outgoings or dilapidations or in producing to AMC any such policy or receipt, or, where the Mortgaged Property is or includes Agricultural Land, in cultivating or managing the same or any part thereof in accordance with the principles of good husbandry, it shall be lawful for but not obligatory on AMC (as the case may require) to repair and maintain or cultivate and manage the same with power to enter the Mortgaged Property for that purpose or to pay such rent and other outgoings and dilapidations or to effect or renew any such insurance as aforesaid as AMC shall think fit, and any sums paid by AMC for any such purpose shall be repayable by the Mortgagor to AMC on demand with interest computed and payable as provided in sub-clauses 5.5 and 5.6 from the date of payment by AMC as aforesaid and, pending payment, shall be secured hereby.
- (b) The Mortgagor shall hold in trust for AMC all money which may at any time be received or receivable under any such policies of insurance and (at AMC's option) shall pay such money to AMC or shall apply the same in replacing, restoring or reinstating the buildings, fixtures and assets destroyed or damaged.

15.3 Any sum paid by AMC to the lessor of any lease under which the Mortgaged Property is held (or under any superior lease) in settlement of any claim made by the lessor for any rent or other outgoings or dilapidations reserved or payable or alleged to be reserved or payable under the lease shall be deemed to be a payment properly made under the terms of the lease (whether or not actually due to the lessor and whether or not disputed by the Mortgagor) provided that such payment was made by AMC in good faith for the purpose of avoiding, compromising or terminating any proceedings for forfeiture or otherwise for the purpose of preserving or enforcing the security hereby created.

15.4 The Mortgagor authorises AMC in the Mortgagor's name and on the Mortgagor's behalf to make any claim against the insurer under any part of any insurance policy and to admit, compromise or settle such claim or any liability relating to any such claim or any potential claim.

15.5 The Mortgagor also authorises AMC to receive any amounts payable or received in respect of any insurance policy or claim under any insurance policy and to give a good discharge to the insurer in respect of such amounts.

16 Mortgaged Licences

If any Mortgaged Licences are held in connection with any business at any time carried on at the Mortgaged Property, the following shall apply:

- (a) the Mortgagor shall at its own expense conform to all orders, regulations and notices made by the licensing authority, the licensing justices or any other authority concerning the Mortgaged Assets and the said business and apply for and use its best endeavours to obtain whenever

necessary proper renewals or regrants of the Mortgaged Licences, and shall not surrender, abandon or transfer to any person any of the Mortgaged Licences or remove the same or any of them to any other premises or do or permit any act or thing whereby the renewal of any such licences may be refused or discontinued or whereby the said business or the goodwill thereof or the letting or sale of the Mortgaged Property may be prejudicially affected, and shall upon demand by or on behalf of AMC deliver to AMC or as AMC shall direct the Mortgaged Licences and give, do and execute all notices, acts instruments and things necessary or convenient for transferring the same or any of them or vesting the same in AMC or its nominee or nominees or withdrawing from the books of HM Revenue & Customs the entry of the Mortgagor as carrying on the business carried on upon the Mortgaged Property;

- (b) all money received by AMC as compensation awarded in respect of the refusal of the licensing authority, the licensing justices or any other authority concerning the Mortgaged Assets to renew the Mortgaged Licences or any of them shall be applied first in payment of the costs incurred by AMC hereunder, secondly in or towards satisfaction of the other Secured Obligations, and subject thereto shall be held in trust for the Mortgagor;
- (c) the Mortgagor shall forthwith upon the receipt of any order, direction or notice from the licensing authority, the licensing justices or any other authority affecting the Mortgaged Assets forward the same or a true copy thereof to AMC;
- (d) the Mortgagor further covenants with AMC in the manner following:
 - (i) the Mortgagor shall pay all charges which may be imposed in respect of the Mortgaged Licences or any of them by virtue of the Licensing Act 2003 or any other statutory enactment, and in default AMC or any receiver may pay all such costs charges and expenses;
 - (ii) the Mortgagor shall from time to time at the request of AMC endeavour to procure the transfer of any of the Mortgaged Licences which may be held by nominees on behalf of or in trust for the Mortgagor to such other person or persons as AMC may approve or appoint, and shall not permit the transfer of such licences to any person or persons not approved by AMC;
 - (iii) the Mortgagor shall keep the Mortgaged Licences and every renewal or regrant thereof and any new licences granted in respect of the Mortgaged Assets insured against forfeiture or refusal to renew in the name of AMC for a sum and in an office to be approved by AMC in writing, and shall deposit the relevant policy or policies with AMC and shall duly pay all premiums and sums of money payable for this purpose and produce the receipts therefor to AMC within seven days of their becoming due and payable, and in case of the Mortgagor making default in that behalf AMC may pay all premiums and sums of money for effecting or keeping in force the said insurance. If any other policies of insurance cover the Mortgaged Licences and/or their renewal or regrant as aforesaid, the Mortgagor shall hold any sums received under such policies in trust for AMC and shall pay the same to AMC on demand;
 - (iv) if the Mortgaged Licences or any of them shall at any time be vested in a nominee of the Mortgagor, the Mortgagor shall procure that all covenants by the Mortgagor herein contained shall be performed and fulfilled by any such nominee; and
 - (v) all sums, costs and expenses paid or incurred by AMC under the powers conferred by this clause shall be paid by the Mortgagor to AMC on demand with interest computed and payable as provided in sub-clauses 5.5 and 5.6 from the time or respective times of the same having been paid or incurred by AMC or the receiver as the case may be and, pending payment, shall be secured hereby;
- (e) without limiting the generality of clause 18, the power of attorney contained in that clause shall authorise the attorney or attorneys for and in the name of the Mortgagor or otherwise:
 - (i) to assign and transfer the Mortgaged Licences to any purchaser or purchasers of the Mortgaged Assets or to such other person or persons as AMC shall direct;
 - (ii) to attend before the relevant authorities and to sign all such notices and other documents and to do all such other acts and things for and in the name, place and stead and on behalf of the Mortgagor or otherwise in order to obtain protection for or the transfer of the Mortgaged Licences to such purchaser or purchasers or other person or persons as aforesaid and to appeal against any refusal by any authority in respect of any grant or transfer or any renewal of any of the Mortgaged Licences or any order, regulation or direction made by the licensing justices or any other authority in respect of the Mortgaged Licences;
 - (iii) to sign all necessary notices and make all necessary applications for the purpose of obtaining the renewal, grant or regrant of any of the Mortgaged Licences; and
 - (iv) generally to execute all such instruments and to give or sign all such notices as the attorney shall think fit as fully and effectually to all intents and purposes whatsoever as the Mortgagor could do personally.

17 Environmental obligations

The Mortgagor shall:

- (a) obtain all Environmental Licences applicable to the Mortgaged Assets, and any business of the Mortgagor carried on at the Mortgaged Property and comply with the terms and conditions of the same;
- (b) comply with all Environmental Laws applicable to the Mortgaged Assets and any business of the Mortgagor carried on at the Mortgaged Property, and not permit a contravention of the same;
- (c) notify AMC of the receipt of and content of all claims, notices or other communications in respect of any alleged breach of any Environmental Law or the terms and conditions of any Environmental Licence which may have a material adverse effect on the market value of the Mortgaged Assets or on the value of any business carried on by the Mortgagor at the Mortgaged Property, and shall forthwith take such steps as AMC may direct to remedy or stop such alleged breach;
- (d) promptly pay all fees and other charges in respect of any Environmental Licence, applicable to the Mortgaged Assets and any business carried on by the Mortgagor at the Mortgaged Property;
- (e) forthwith notify AMC of the receipt of and the contents of any notices or other communication varying or suspending any Environmental Licence relating to the Mortgaged Assets and any business carried on by the Mortgagor at the Mortgaged Property, and forthwith take such steps as AMC may direct to reinstate in full force and effect any Environmental Licence so varied or suspended;
- (f) forthwith supply AMC with copies of any environmental reports, audits or studies undertaken in relation to the Mortgaged Assets and any business carried on by the Mortgagor at the Mortgaged Property; and
- (g) pay on demand the costs and expenses (including Value Added Tax) incurred by AMC in commissioning environmental audits (which AMC shall be entitled to do whenever it thinks fit) and shall permit AMC and its agents full and free access to all the Mortgaged Assets for the purposes of

such environmental audits. Such costs and expenses shall bear interest from the date of demand computed and payable as provided in sub-clauses 5.5 and 5.6 and, pending payment, shall be secured hereby.

18 Power of attorney

18.1 For the purpose of securing the payment of the Secured Obligations and for securing any proprietary interest which AMC has in any of the Mortgaged Assets, the Mortgagor irrevocably appoints AMC and the persons deriving title under it and its and their substitutes and any receiver or receivers appointed hereunder (the "Attorney") jointly and also severally to be the Mortgagor's true and lawful attorney. For the purposes aforesaid, the Attorney shall have the right to do anything which the Mortgagor may lawfully do and all the rights and powers which may lawfully be given to an attorney including, without prejudice to the generality of the foregoing:

- (a) the right to do anything to procure or carry out the performance of the Mortgagor's obligations under this Mortgage and anything to facilitate the exercise of AMC's rights under this Mortgage;
- (b) the right to act in the name of the Mortgagor;
- (c) the right to delegate and sub-delegate any or all of the rights of the Attorney;
- (d) the right to execute and complete any documents or instruments which AMC or any receiver may require for perfecting the title of AMC to the Mortgaged Assets or for vesting the same in AMC, its nominees or any purchaser;
- (e) the right to act for and on behalf of the Mortgagor in selling or leasing any milk or other quota to which the Mortgagor appears to be entitled and which relates to the Mortgaged Property; and
- (f) the right to sign, execute, seal and deliver and otherwise perfect any further security documentation referred to in clause 8.

18.2 The Mortgagor ratifies and shall ratify everything done or purported to be done by the Attorney.

19 Indemnity

19.1 The Mortgagor hereby agrees to indemnify AMC and any receiver appointed by it and their respective employees and agents (as a separate covenant with each such person indemnified) against:

- (a) all existing and future rents, rates, taxes, duties, charges, assessments and outgoings now or at any time payable in respect of the Mortgaged Assets or by the owner or occupier thereof; and
- (b) all costs, claims, demands, expenses, charges, assessments, impositions, fines and sums and the consequences of any proceedings or prosecutions arising directly or indirectly from or in connection with any breach by the Mortgagor of any law or any provision of this Mortgage, in each case, whether imposed by statute or otherwise and whether of the nature of capital or revenue and even though of a wholly novel character. If any such sums shall be paid by AMC or any such receiver or any of their respective employees or agents, the same shall be paid by the Mortgagor on demand with interest computed and payable as provided in sub-clauses 5.5 and 5.6 from the time or respective times of the same having been paid or incurred and, pending payment, shall be secured hereby, but AMC shall not be deemed to have taken possession of the Mortgaged Assets by reason of such payment.

19.2 The Mortgagor hereby agrees to indemnify AMC and any receiver appointed by it and their respective employees and agents (as a separate covenant with each such person indemnified) against all loss incurred in connection with:

- (a) any statement made by the Mortgagor or on the Mortgagor's behalf in connection with this Mortgage, the Mortgaged Assets or the business of the Mortgagor being untrue or misleading;
- (b) AMC entering into any obligation with any person (whether or not the Mortgagor) at the request of the Mortgagor (or any person purporting to be the Mortgagor);
- (c) any actual or proposed amendment, supplement, waiver, consent or release in relation to this Mortgage;
- (d) any stamping or registration of this Mortgage or the security constituted by it; and
- (e) any failure to register this Mortgage in respect of any Mortgaged Assets where such registration is required in order to preserve the effectiveness or priority of the security created by this Mortgage, whether or not any fault (including negligence) can be attributed to AMC or any receiver appointed by it or their respective employees and agents.

19.3 This indemnity does not and shall not extend to any loss to the extent that:

- (a) in the case of any loss incurred by AMC or its employees or agents it arises from the Bank or its employees or agents acting other than in good faith; or
- (b) in the case of any loss incurred by the receiver or his employees or agents it arises from the receiver or his employees or agents acting other than in good faith; or
- (c) there is a prohibition against an indemnity extending to that loss under any law relating to this indemnity.

20 Partnership

20.1 If the Mortgagor or the Borrower is a partnership, this Mortgage shall secure all money and liabilities due, owing or incurred in the name of the partnership (notwithstanding the death or retirement or removal of any partner or partners or the admission of any new partner or partners) until AMC receives a Notice of Discontinuance relating to the dissolution of the partnership. If the dissolution is due solely:

- (a) to the retirement or death or removal of a partner or partners, then this Mortgage shall not thereby be determined except at the option of AMC;
- (b) to the introduction of a further partner or partners into the firm, then this Mortgage shall continue.

20.2 Where under sub-clause 20.1(a) or (b) this Mortgage is continued on dissolution, it shall secure, in addition to all money and liabilities due, owing or incurred from or by the old partnership to AMC, all money and liabilities due, owing or incurred to AMC from or by the new partnership thereby constituted as though there had been no change in the partnership as previously constituted or from or by any former partner of the old partnership who carries on the business of the old partnership as a sole trader.

21 Continuing security

This Mortgage shall be a continuing security notwithstanding that the Borrower's Liabilities or the Mortgagor's Liabilities may from time to time be reduced to nil and notwithstanding any change in the name, style, constitution or otherwise of the Borrower or the Mortgagor, and shall continue to bind the Mortgagor until (in respect of the Borrower's Liabilities only) the receipt by AMC of a Notice of Discontinuance, whereupon the provisions of sub-clause 4.2 shall apply.

22 Conclusive evidence

A certificate by an official of AMC as to the amount of the Secured Obligations shall (save for manifest error) be binding and conclusive on the Mortgagor in any legal proceedings both in relation to the existence of the liability and as to the amount thereof.

23 Dealings by AMC with the Borrower and others

23.1 AMC may without any consent from the Mortgagor and without affecting this Mortgage:

- (a) grant, renew, vary, increase, extend, release or determine any advances, accommodation or facilities given or to be given to the Borrower or any other person or the terms and conditions relating thereto and agree with the Borrower or any such person as to the application thereof; or
- (b) hold, renew, modify or release or omit to take, perfect, maintain or enforce any security or guarantee or right now or hereafter held from or against the Borrower or any other person in respect of any of the Borrower's Liabilities; or
- (c) grant time or indulgence to or settle with or grant any waiver or concession to the Borrower or any other person.

23.2 This Mortgage shall not be affected or discharged by anything which would not have discharged or affected it if the Mortgagor had been a principal debtor to AMC in respect of the Borrower's Liabilities. In particular, but without limitation, AMC may release any surety of any of the Borrower's Liabilities and may discharge any security held by AMC as security for the liabilities of any such surety or the Borrower, notwithstanding that the Mortgagor may have a claim for contribution against such surety or the Borrower and notwithstanding that the Mortgagor may claim to be subrogated to AMC's rights under such security.

24 Opening or continuance of new or existing accounts

24.1 AMC may at all times open and continue any new account(s) or continue any existing account(s) with the Borrower or the Mortgagor and no money paid from time to time into any such new or existing account(s) by or on behalf of the Borrower or the Mortgagor shall be appropriated towards or have the effect of reducing or affecting any of the Secured Obligations.

24.2 If AMC does not open a new account for the Borrower or the Mortgagor on the date of discontinuance or on the date AMC receives notice of any subsequent assignment, mortgage, security, charge or other interest affecting the Mortgaged Assets it shall nevertheless be treated as if it had done so on such date, and as from that date all payments made to AMC in respect of the Secured Obligations shall be credited or treated as having been credited to the new account and shall not operate to reduce or affect the amount of the Secured Obligations owing at such date.

25 Suspense account

25.1 AMC may at all times place and keep to the credit of a separate or suspense account any money received under or by virtue of this Mortgage for so long and in such manner as AMC may determine, without any obligation to apply the same or any part thereof in or towards the discharge of any of the Borrower's Liabilities.

25.2 Notwithstanding any such payment, in the event of any proceedings relating to the Borrower in or analogous to bankruptcy, administration, liquidation, composition or arrangement, AMC may prove for or claim (as the case may be) and agree to accept any dividend or composition in respect of the whole or any part of the Borrower's Liabilities and other sums in the same manner as if such money had not been received.

25.3 AMC may, in its absolute discretion, agree not to charge interest on so much of the Borrower's Liabilities as is equal to the credit balance from time to time on such separate or suspense account and/or pay or allow interest at such rate as it may from time to time determine on such credit balance or such part thereof as AMC thinks fit.

26 Security not to be avoided by certain events

- 26.1 (a) No assurance, security or payment which may be avoided under any applicable law ("Applicable Law") of any jurisdiction (including, without prejudice to the generality of the foregoing, sections 234, 238, 239, 241, 242, 243, 245, 339, 340, 342 and 423 of the 1986 Act) and no release, settlement, discharge or arrangement including, but not limited to, a release, settlement, discharge or arrangement of or in relation to this Mortgage, which may have been given or made on the faith of any such assurance, security or payment, shall prejudice or affect the right of AMC to recover hereunder as if such assurance, security, payment, release, settlement, discharge or arrangement (as the case may be) had never been granted, given or made.
- (b) Any such release, settlement, discharge or arrangement shall as between AMC and the Mortgagor be deemed to have been given or made upon the express condition that it shall become and be voidable at the instance of AMC if the assurance, security or payment on the faith of which it was made or given shall at any time thereafter be avoided under any Applicable Law or otherwise, to the intent and so that AMC shall become and be entitled at any time after any such avoidance to exercise all or any of the rights in this Mortgage expressly conferred upon AMC and/or all or any other rights which by virtue and as a consequence of this Mortgage AMC would have been entitled to exercise but for such release, settlement, discharge or arrangement.
- 26.2 (a) AMC shall be entitled to retain this Mortgage for a period of two months plus any statutory period during which any assurance, security or payment such as is referred to in sub-clause 26.1(a) may be avoided or invalidated (or such longer period as AMC shall consider reasonable in the light of the provisions of any Applicable Law) after (as the case may be) the creation of such assurance or security or after the payment of all sums that are or may become due to AMC from the Borrower, notwithstanding any release, settlement, discharge or arrangement given or made by AMC.
- (b) If at any time within such period or prior to such repayment, either a bankruptcy petition shall be presented against the Borrower or an application shall be presented to a competent Court for an administration order or for an order for the winding-up of the Borrower or the Borrower shall commence to be wound-up voluntarily or a notice of appointment of or notice of intention to appoint an administrator is issued by or in respect of the Borrower (or any step is taken under any Applicable Law which is analogous to any of the foregoing), then AMC shall be entitled to continue to retain this Mortgage for and during such further period as AMC may determine, in which event this Mortgage shall be deemed to have continued to have been held by AMC as security for the payment to AMC of all the Secured Obligations (including any sums which AMC is ordered to repay pursuant to any order of the Court or as a consequence of any Applicable Law).

27 Claims of the Mortgagor against the Borrower and others

Until all the Borrower's Liabilities shall have been paid or discharged in full, notwithstanding payment in whole or in part of the Secured Obligations or any release or cancellation hereof falling within sub-clause 26.1(b), the Mortgagor shall not by virtue of any such payment or by any other means or on any other ground (save as hereinafter provided):

- (a) claim any set-off or counter-claim against the Borrower in respect of any liability of the Mortgagor to the Borrower;
- (b) make any claim or enforce any right against the Borrower or prove in competition with AMC in respect of any such claim or right;
- (c) accept repayment from the Borrower of any amounts owed by the Borrower to the Mortgagor;
- (d) be entitled to claim or have the benefit of any proof against or dividend, composition or payment by the Borrower or in bankruptcy, voluntary arrangement, administration or liquidation of the Borrower;
- (e) be entitled to claim or have the benefit of any security or guarantee now or hereafter held by AMC for any of the Borrower's Liabilities or to have any share therein; or
- (f) claim or enforce any right of contribution against any surety of the Borrower;

PROVIDED that:

- (i) sub-clauses 27(a), (b) and (c) shall only apply after the power of sale has arisen hereunder or after the date of discontinuance (whichever is the earlier); and
- (ii) if the Mortgagor shall have any right of proof or claim in bankruptcy, voluntary arrangement, administration or liquidation of the Borrower, the Mortgagor shall exercise such right of proof or claim on behalf of AMC and hold any dividend or other money received in respect thereof upon trust for AMC to the extent of the Secured Obligations, and the Mortgagor shall in like manner hold upon trust for AMC to the extent of the Secured Obligations any money which the Mortgagor may receive or recover from any surety by virtue of any right of contribution and any money which the Mortgagor may receive but should not have received by reason of any of sub-clauses 27(a) to (f) inclusive.

28 Security held by the Mortgagor

Any security now or hereafter held by or for the Mortgagor from the Borrower or any surety shall be held in trust for AMC as security for the Secured Obligations, and the Mortgagor shall upon request by AMC forthwith deposit such security with AMC or assign the same to AMC.

29 Other securities or rights

29.1 This Mortgage is in addition to and is not to prejudice or be prejudiced by any guarantee or other security or other rights which is or are now or may hereafter be held by AMC for or in relation to any of the Secured Obligations, whether from the Mortgagor or otherwise. It shall not be necessary for AMC before enforcing this Mortgage to resort to or seek to enforce any guarantee or other security or other rights whether from or against the Borrower or any other person.

29.2 It shall not be a condition precedent or subsequent to this Mortgage that AMC shall take any security from the Borrower or any surety or any guarantee from any intended surety, nor shall this Mortgage be affected by any failure by AMC to take any such security or guarantee or by the illegality or invalidity of any such security or guarantee.

30 Notices

30.1 Any notice or demand by AMC hereunder shall be deemed to have been sufficiently given or made if:

- (a) sent by hand or prepaid letter post to the Mortgagor's address stated herein or the address last known to AMC or the address of the Mortgaged Property or (if the expression "Mortgagor" is or includes a company) the registered office of the company; or
- (b) sent by facsimile to the Mortgagor's last known facsimile number relating to any such address or office.

30.2 Any such notice or demand given or made under sub-clause 30.1 shall be deemed to have been served on the addressee:

- (a) at the time of delivery to the address referred to in sub-clause 30.1(a), if sent by hand;
- (b) at the earlier of the time of delivery or 10.00 am on the day after posting (or, if the day after posting is a Sunday or any other day upon which no delivery of letters is scheduled to be made, at the earlier of the time of delivery or 10.00 am on the next succeeding day on which delivery of letters is scheduled to be made), if sent by prepaid letter post;
- (c) at the time of transmission, if sent by facsimile (and a facsimile shall be deemed to have been transmitted if it appears to the sender to have been transmitted from a machine which is apparently in working order); or
- (d) on the expiry of 72 hours from the time of despatch in any other case.

30.3 In the case of the death of the Mortgagor, and until AMC receives notice in writing of the grant of probate of the will or the grant of letters of administration in respect of the estate of the Mortgagor, any notice or demand by AMC sent by any of the methods as aforesaid shall for all purposes be deemed a sufficient notice to or demand on the personal representatives of the Mortgagor.

30.4 Service of legal proceedings in the manner described in sub-clause 30.1(a) shall be deemed to constitute good service.

30.5 Any notice or communication from the Mortgagor to AMC under the terms of this Mortgage shall be in writing and sent by recorded delivery or registered post to AMC at AMC's address stated herein or at such other address as may be notified in writing by AMC to the Mortgagor for this purpose.

30.6 In order to be valid a Notice of Discontinuance must be received by AMC at the address mentioned under its name on the first page of this Mortgage (or such other address as AMC may notify to the Mortgagor in writing for this purpose). Any Notice of Discontinuance so received shall become effective on and from the first working day after receipt (or as the case may be, deemed receipt).

31 Currency conversion

AMC may, at any time at its sole discretion and with or without notice to the Mortgagor, elect to convert all or any part of any sum received by AMC pursuant to this Mortgage (in whole or in part) into the currency or currency unit or currencies or currency units of the whole or any part of the Secured Obligations (deducting from the proceeds of the conversion any currency premium or other expense), and the rate of exchange shall be the spot rate of Lloyds Bank plc for selling the currency or currency unit or currencies or currency units of the Secured Obligations or

relevant part thereof for the currency or currency unit of the sum received by AMC hereunder at or about 11.00 am in London on the date that AMC exercises its right of conversion hereunder.

32

Schemes, and quotas

The Mortgagor shall:

- (a) at any time if and when required to do so by AMC assign to AMC by way of security for the Secured Obligations all or any payments received or to be received for or in respect of any milk quota (whether on a sale or lease or otherwise);
- (b) in all cases, notify AMC of the receipt from any person of any monies payable under any agri-environmental or other scheme (whether compulsory or voluntary) arising under statute or otherwise;
- (c) hold any monies referred to in sub-clause 32(a) or (b) on trust for AMC and, if so requested by AMC, pay them to AMC in reduction of the Secured Obligations;
- (d) not, without the prior written consent of AMC assign, let, surrender or otherwise dispose of milk quota now or in the future attaching or allocated to the Mortgaged Property (or any part of it) or the business conducted from the Mortgaged Property (or any part of it);
- (e) not, without the prior written consent of AMC, assign, let, surrender or otherwise dispose of any entitlement or right to claim subsidies, payments or other benefits under Council Regulation (EC) 1782/2003, Regulation (EU) No 1307/2013 and Commission Delegated Regulation (EU) No 639/2014 and Commission Implementing Regulation (EU) No 641/2014 and any other regulations made by European institutions or authorities or payment agencies in the United Kingdom keeping maintaining, creating, allocating, re-allocating or distributing a right to claim subsidies, payments or other benefits (including those to claim the Basic Payment or any other revised or replacement Direct Payment) and governing their administration, operation and use, which the Mortgagor holds.

33

Payments

- 33.1 If at any time the currency in which all or any part of the Secured Obligations are denominated is, or is due to be or has been converted into the Euro or any other currency as a result of a change in law or by agreement between AMC and the relevant obligor, then AMC may in its sole discretion direct that all or any of the Secured Obligations shall be paid in the Euro or such other currency or currency unit.
- 33.2 AMC may apply, allocate or appropriate the whole or any part of any payment made by the Mortgagor hereunder or any money received by AMC under any guarantee, indemnity or third party security or from any trustee in bankruptcy, liquidator, receiver or administrator of the Mortgagor or from the proceeds of realisation of the Mortgaged Assets or any part thereof to such part or parts of the Secured Obligations as AMC may in its sole discretion think fit to the entire exclusion of any right of the Mortgagor to do so.

34 Non-merger, etc

- 34.1 Nothing herein contained shall operate so as to merge or otherwise prejudice or affect any bill, note, guarantee, mortgage or other security or any contractual or other right which AMC may at any time have for any of the Secured Obligations or any right or remedy of AMC thereunder. Any receipt, release or discharge of the security provided by, or of any liability arising under, this Mortgage shall not release or discharge the Mortgagor from any liability to AMC for the same or any other money which may exist independently of this Mortgage, nor shall it release or discharge the Mortgagor from any liability to AMC under the indemnity contained in clause 19.
- 34.2 Where this Mortgage initially takes effect as a collateral or further security then notwithstanding any receipt, release or discharge endorsed on or given in respect of the money and liabilities owing under the principal security to which this Mortgage operates as a collateral or further security, this Mortgage shall, in respect of any of the Secured Obligations which were originally intended to be secured, be an independent security for such Secured Obligations.

35 Transfers by AMC or the Mortgagor

- 35.1 Each of AMC's rights in relation to this Mortgage is freely and separately assignable or transferable by AMC. On request by AMC, the Mortgagor shall immediately execute and deliver to AMC any form of instrument required by AMC to confirm or facilitate any such assignment or transfer.
- 35.2 The Mortgagor shall not assign or transfer any of the Mortgagor's rights or obligations under this Mortgage or enter into any transaction or arrangement which would result in any of those rights or obligations passing to or being held in trust for or for the benefit of another person.

36 Restriction on Liability of AMC

Except to the extent that any such exclusion is prohibited or rendered invalid by law, neither AMC nor any receiver appointed by it nor their respective employees and agents shall:

- (a) be liable to account as a mortgagee in possession for any sums other than actual receipts;
- (b) be liable for any loss upon realisation of, or for any action, neglect or default of any nature whatsoever in connection with, any part of the Mortgaged Assets for which a mortgagee in possession might as such otherwise be liable;
- (c) be under any duty of care or other obligation of whatsoever description to the Mortgagor in relation to or in connection with the exercise of any right conferred upon AMC, any receiver appointed by it and their respective employees and agents; or
- (d) be under any liability to the Mortgagor as a result of, or in consequence of, the exercise, or attempted or purported exercise, or failure to exercise, any of their respective rights.

37 Miscellaneous

- 37.1 Any amendment of or supplement to any part of this Mortgage shall only be effective and binding on AMC and the Mortgagor if made in writing and agreed to by both AMC and the Mortgagor. References to "this security", "this deed" or to "this Mortgage" include each such amendment and supplement.
- 37.2 The Mortgagor and AMC shall from time to time amend the provisions of this Mortgage if AMC notifies the Mortgagor that any amendments are required to ensure that this Mortgage reflects the market practice prevailing at the relevant time following the introduction of economic and monetary union and/or the Euro in all or any part of the European Union.
- 37.3 AMC and the Mortgagor agree that the occurrence or non-occurrence of European economic and monetary union, any event or events associated with European economic and monetary union and/or the introduction of any new currency in all or any part of the European Union shall not

result in the discharge, cancellation, rescission or termination in whole or in part of this Mortgage or give any party hereto the right to cancel, rescind, terminate or vary this Mortgage in whole or in part.

37.4 Any waiver, consent, receipt, settlement or release given by AMC in relation to this Mortgage shall only be effective if given in writing and then only for the purpose for and upon any terms on which it is given.

37.5 For the purpose of exercising, assigning or transferring its rights under this Mortgage, AMC may disclose to any person any information relating to the Mortgagor which AMC has at any time.

37.6 The restriction on the right of consolidating mortgages contained in Section 93 of the 1925 Act shall not apply to this Mortgage or any further or other security entered into pursuant to this Mortgage.

37.7 Any change in the constitution of AMC or its absorption of or amalgamation with any other person shall not in any way prejudice or affect its or their rights hereunder, and the expression "AMC" shall include any such other person.

37.8 Unless and until AMC shall have made demand for payment of any of the Secured Obligations or one of the other events mentioned in sub-clause 12.1(a) shall have occurred, AMC shall not be entitled (except for the purposes mentioned in sub-clauses 14(g), 15.2(a) and 17(g)) to enter upon the Mortgaged Property or to obtain possession thereof.

37.9 AMC shall be entitled to debit any account for the time being of the Mortgagor with AMC with any sum falling due to AMC hereunder.

37.10 AMC and the Mortgagor agree that the Additional Terms shall apply to this Mortgage.

38 Unlawfulness and partial invalidity

38.1 If (but for this sub-clause 38.1) it would for any reason be unlawful for the Mortgagor to grant security in respect of any particular liability of the Borrower to AMC, then (notwithstanding anything herein contained) this Mortgage shall not (to the extent that it would be so unlawful) extend to such liability, but without in any way limiting the scope or effectiveness of this Mortgage as regards all other Secured Obligations.

38.2 Each of the provisions of this Mortgage shall be severable and distinct from one another and if at any time any one or more of such provisions is or becomes invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

39 No personal liability of Mortgagor

Notwithstanding anything herein contained the Mortgagor shall not incur any personal liability hereunder for the payment of any of the Borrower's Liabilities save that where the Mortgagor (or any person included within the definition of the Mortgagor) is included in the definition of the Borrower, then this clause shall not affect the personal liability of any such person in such capacity.

40 No reliance by the Mortgagor on AMC

(a) The Mortgagor acknowledges to and agrees with AMC that, in entering into this Mortgage:

(i) the Mortgagor has not relied on any oral or written statement, representation, advice, opinion or information made or given to the Mortgagor in good faith by AMC or anybody on AMC's behalf, and AMC shall have no liability to the Mortgagor if the Mortgagor has in fact done so;

(ii) the Mortgagor has made, independently of AMC, the Mortgagor's own assessment of the viability and profitability of any purchase, project or purpose for which the Borrower has incurred the Borrower's Liabilities, and AMC shall have no liability to the Mortgagor if in fact the Mortgagor has not done so;

(iii) there are no arrangements, collateral or relating to this Mortgage, which have not been recorded in writing and signed on behalf of AMC and the Mortgagor; and

(iv) the Mortgagor has made, without reliance on AMC, the Mortgagor's own independent investigation of the Borrower and its affairs and financial condition and of any other relevant person and assessment of the creditworthiness of the Borrower or any other relevant person, and AMC shall have no liability to the Mortgagor if in fact the Mortgagor has not done so.

(b) The Mortgagor agrees with AMC that AMC did not have prior to the date of this Mortgage, does not have and will not have any duty to the Mortgagor:

(i) in respect of the application by the Borrower or the Mortgagor of the money hereby secured;

(ii) in respect of the effectiveness, appropriateness or adequacy of the security constituted by this Mortgage or of any other security for the Secured Obligations;

(iii) to preserve the goodwill of any business carried on by the Mortgagor or the Borrower by running, or procuring the running of, such businesses or otherwise, either before or after the enforcement of this Mortgage or before or after the enforcement of any security held by AMC from the Borrower; or

(iv) to provide the Mortgagor with any information relating to the Borrower or any other relevant person.

(c) The validity and enforceability of this Mortgage and the recoverability of the Secured Obligations shall not be affected or impaired by:

(i) any other security or any guarantee taken by AMC from the Mortgagor or any third party;

(ii) any such other security or guarantee proving to be inadequate;

(iii) the failure of AMC to take, perfect or enforce any such other security or guarantee; or

(iv) the release by AMC of any such other security or guarantee.

(d) The Mortgagor agrees with AMC for itself and as trustee for its officials, employees and agents that neither AMC nor its officials, employees or agents shall have any liability to the Mortgagor in respect of any act or omission by AMC, its officials, employees or agents done or made in good faith.

41 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 according to English law, and each party hereto irrevocably submits to the jurisdiction of the English courts.

IN WITNESS whereof the parties have executed this Mortgage as a deed and have delivered it upon its being dated.

THE FIRST SCHEDULE

THE MORTGAGED PROPERTY

The property known as or being

The Property is Freehold/Leasehold

(1) 65 acres of land at Holme Farm, West Rasen, Market Rasen, being the land shown edged red on the plan attached to the Transfer of Part dated 24 November 2017 and made between

(1) Jessie Eleanor Franks and Lisa Jane Howes and (2) the Mortgagee

(2) 5-8 Birch Court, Boston Road Industrial Estate, Spratt Close, Horncastle, LN9 6BS (also known as Unit 6)

As shown edged red on the attached Plan 1 and Plan 2

Including the entirety of the property comprised in the document(s) particulars of which are set out below.

| Description (Conveyance, Lease, Assignment, Assent etc) | Parties |
|---|---------|
| | |

Title No(s).

Administrative Area

(1) LL353988 (part)

Lincolnshire: East Lindsey

(2) LL333850 (whole)

Lincolnshire: East Lindsey

THE SECOND SCHEDULE

ADDITIONAL TERMS (IF ANY)

In this Second Schedule:

SIPP: means the David John Leetham Nelstrop SIPP

Notwithstanding any other term of this Mortgage, the liability of AJ Bell (PP) Trustees Limited and David John Leetham Nelstrop under this Mortgage shall not be personal and shall be limited to the value of the assets of the SIPP from time to time.

THE THIRD SCHEDULE

THE LIMIT ON THE AMOUNT RECOVERABLE

The amount recoverable under this Mortgage shall not exceed the aggregate of the following amounts:

- (a) such part of the money and liabilities referred to in paragraph (a) of the definition of "Borrower's Liabilities" as does not exceed:

Amount in figures

Amount in words

(in relevant currency)

(in relevant currency)

£

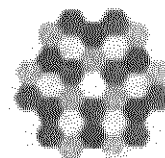
and

- (b) such part of the interest referred to in paragraph (b) of the definition of "Borrower's liabilities" as is attributable to the money and liabilities referred to in (a) above; and
- (c) the commission and other banking charges and legal, administrative and other costs charges and expenses and interest referred to in paragraph (c) of the definition of "Borrower's Liabilities"; and
- (d) all legal and other costs charges and expenses (on a full and unqualified indemnity basis) incurred by AMC in recovering payment of any of the Secured Obligations and all moneys expended and liabilities incurred by AMC pursuant to this Mortgage; and
- (e) the amount of the Mortgagee's Liabilities.

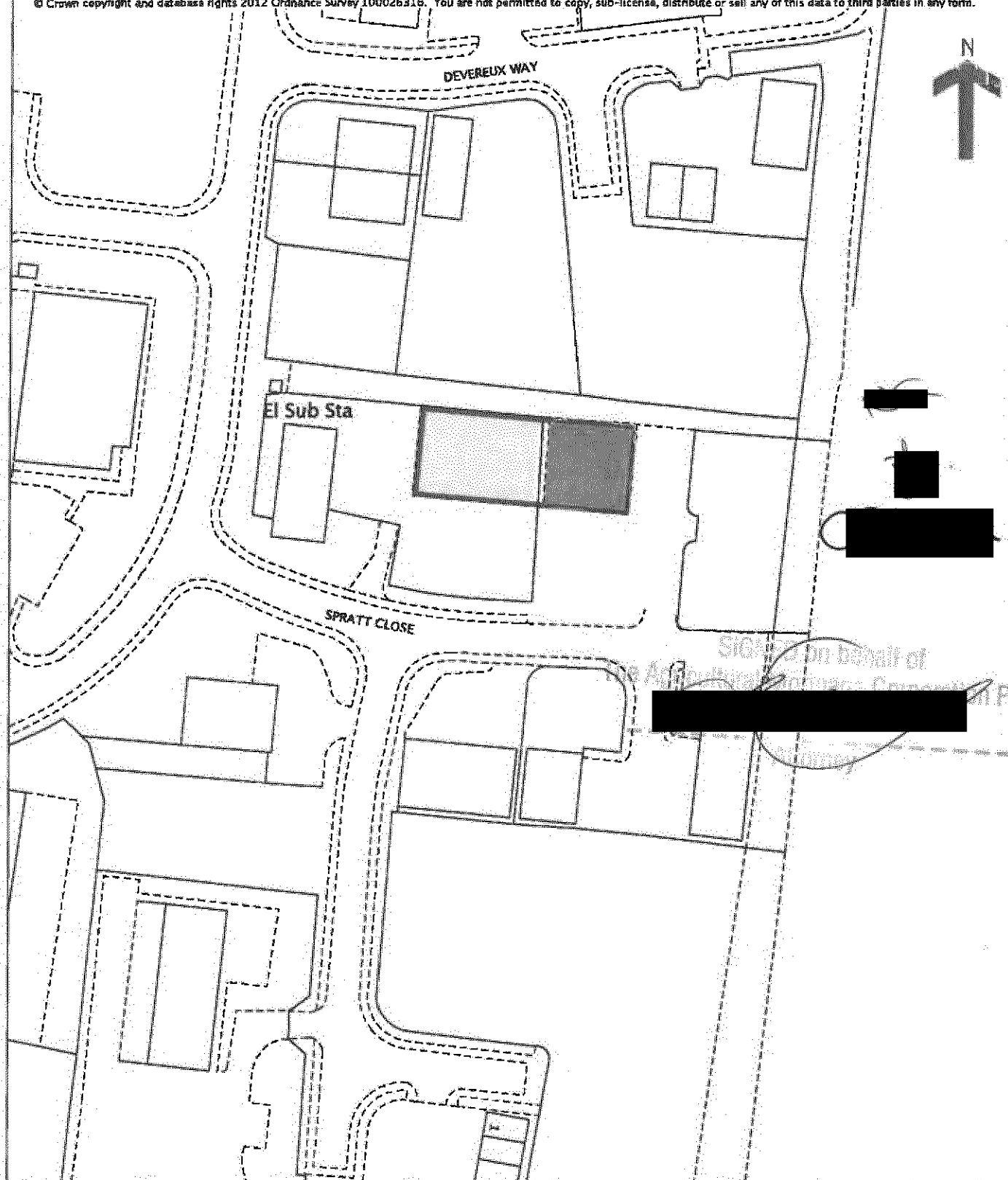
If no amount has been inserted in paragraph (a) above, there shall be no limit on the amount recoverable under this Mortgage.

HM Land Registry
Official copy of
title plan

Title number LL333850
Ordnance Survey map reference TF2668NE
Scale 1:1250 enlarged from 1:2500
Administrative area Lincolnshire : East Lindsey



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IMPORTANT NOTICE

YOU SHOULD CONSULT A SOLICITOR BEFORE SIGNING THIS LEGAL DOCUMENT
BY SIGNING THIS DOCUMENT YOU PROVIDE THE MORTGAGED ASSETS SPECIFIED AS SECURITY FOR THE SECURED OBLIGATIONS,
INCLUDING THE LIABILITIES OF AMC'S BORROWER.
THE SECURITY WILL BE LIMITED TO THE AGGREGATE OF THE AMOUNTS (IF ANY) SPECIFIED IN THE THIRD SCHEDULE TO THIS
MORTGAGE. IF NO AMOUNT IS SPECIFIED IN PARAGRAPH (a) OF THE THIRD SCHEDULE, THE SECURITY WILL BE UNLIMITED.
YOUR PROPERTY MAY BE SOLD AND THE PROCEEDS APPLIED IN REPAYMENT OF THE SECURED OBLIGATIONS.
SIGN ONLY IF YOU WANT TO BE LEGALLY BOUND BY ITS TERMS.

Signed as a deed by

Name

David John Leetham Nelstrop (as trustee of the David
John Leetham Nelstrop SIPP)

Signature



In my presence and after the contents had been explained
to him/her

Witness' name

DAVID HARVEY

SOLICITOR

Witness' Signature



SOLICITOR

Witness' Address

26 Market Place, Market Harborough,
Leics.

Signed as a deed by

Name

Signature

In my presence and after the contents had been explained
to him/her

Witness' name

SOLICITOR

Witness' Signature

SOLICITOR

Witness' Address

Signed as a deed by

Name

Signature

In my presence and after the contents had been explained
to him/her

Witness' name

SOLICITOR

Witness' Signature

Witness' Address

Signed as a deed by

Name

Signature

In my presence and after the contents had been explained
to him/her

Witness' name

SOLICITOR

Witness' Signature

Witness' Address

Use this execution clause if the Mortgagor is a Company and is to execute by one director in the presence of a witness.

Executed as a deed by

Acting by

Director

Witness' name and address

Witness' signature

Use this execution clause if the Mortgagor is a Company and is to execute acting by two directors or one director and Company secretary.

Signed as a deed by

A J Bell (PP) Trustees Limited (as trustee of the David John Leetham Nelstrop SIPP)

Acting by

Director

Director/Company Secretary

BRUCE ROBINSON NICHOLAS MICHAEL CARRINGTON

Signed and delivered as a deed by

Neal Fennell

Signature

As attorney and for The Agricultural Mortgage Corporation PLC,
in the presence of:

Witness' name and address

Matthew Charles Young
Charlton Place
Charlton Road
Andover
Hampshire
SP10 1RE

Witness' signature