



Registration of a Charge

Company name: **TAUNTFIELD LTD**

Company number: **03685715**

Received for Electronic Filing: **25/06/2020**



X97XD5SY

Details of Charge

Date of creation: **09/06/2020**

Charge code: **0368 5715 0023**

Persons entitled: **LLOYDS BANK PLC AS LENDER**

Brief description: **PART OF THE PROPERTY AT THE LAND AT KILLAMS TAUNTON SOMERSET BEING THOSE PARTS OF THE LAND COMPRISED IN TITLE NUMBER ST289333 SHOWN EDGED IN GREEN ON THE SITE PLAN ATTACHED TO THE LEGAL MORTGAGE.**

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION**

**FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

OSBORNE CLARKE LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 3685715

Charge code: 0368 5715 0023

The Registrar of Companies for England and Wales hereby certifies that a charge dated 9th June 2020 and created by TAUNTFIELD LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 25th June 2020 .

Given at Companies House, Cardiff on 26th June 2020

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

We certify that, save for material redacted pursuant to s.859G of the Companies Act 2006, this copy instrument is a correct copy of the original instrument

Osborne Clarke LLP

Date..... 24 June 2020.....

Osborne Clarke LLP
One London Wall
London
EC2Y 5EB



Legal Mortgage

- (1) Taunfield Ltd as Chargor
- (2) Lloyds Bank plc as Lender

Dated *9th* June 2020

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This Deed is made on

9th June

2020

Between:

- (1) **Tauntfield Ltd** (company number 03685715) whose registered office is at Tauntfield, South Road, Taunton, Somerset, TA1 3ND (the "**Chargor**"); and
- (2) **Lloyds Bank plc** as Lender (the "**Lender**").

This Deed witnesses as follows:

1. **Definitions and interpretation**

1.1 **Definitions**

Unless otherwise defined in this Deed, terms defined in the Facility Agreement shall have the same meanings when used in this Deed and, unless the context otherwise requires, the following definitions shall apply:

"Agreement for Lease" means an agreement to grant an Occupational Lease for all or part of a Property.

"Borrower" means Summerfield SD3 Limited (company number 05963969 and whose registered office is at Tauntfield, South Road, Taunton, Somerset, TA1 3ND).

"Charged Property" means all the assets, property and undertaking for the time being subject to any Security created by this deed (and references to the Charged Property shall include references to any part of it).

"Facility Agreement" means an agreement dated 28 September 2017 and made between, amongst others, the Borrower and the Lender as amended, novated, supplemented, extended or restated from time to time.

"Finance Documents" means the Finance Documents, in each case as defined in the Facility Agreement and in each case as amended, novated, supplemented, extended or restated from time to time.

"Insurance Proceeds" means all monies from time to time payable to the Chargor under or pursuant to the Insurances, including the refund of any premium.

"Insurances" means all policies of insurance and all proceeds of them either now or in the future held by, or written in favour of, the Chargor or in which it is otherwise interested, but excluding any third party liability or public liability insurance and any directors' and officers' insurance.

"Lease Document" means:

- (a) an Agreement for Lease;
- (b) an Occupational Lease; or
- (c) any other document designated, in writing, as such by the Lender and the Chargor.

"LPA" means the Law of Property Act 1925.

"Obligor" means the Borrower and each other Obligor as defined in the Facility Agreement.

"Occupational Lease" means any lease or licence or other right of occupation or right to receive rent to which a Property may at any time be subject and includes any guarantee of a tenant's obligations under the same.

"Party" means a party to this Deed.

"Property" means:

- (a) all of the freehold and/or leasehold property of the Chargor described in Schedule 1 (*The Property*);
- (b) any buildings, fixtures, fittings, plant and machinery from time to time on or forming part of the property referred to in paragraph (a); and
- (c) any Related Rights arising in relation to any of the assets described in paragraphs (a) and (b),

and **"Properties"** shall be construed accordingly.

"Receiver" means a receiver or receiver and manager of the whole or any part of the Charged Property.

"Related Rights" means, where used in relation to an asset, the following:

- (a) the proceeds of sale and/or other realisation of that asset (or any part thereof or interest therein);
- (b) all Security, Authorisations, options, agreements, rights, easements, benefits, indemnities, guarantees, warranties or covenants for title in respect of such asset; and
- (c) all rights under any lease, licence or agreement for lease, sale or use in respect of such asset.

"Rental Income" means the aggregate of all amounts paid or payable to or for the account of the Chargor in connection with the letting, licence or grant of other rights of use or occupation of any part of each Property, including each of the following amounts:

- (a) rent, licence fees and equivalent amounts paid or payable;
- (b) any sum received or receivable from any deposit held as security for performance of a tenant's obligations;
- (c) a sum equal to any apportionment of rent allowed in favour of the Chargor;
- (d) any other monies paid or payable in respect of occupation and/or usage of that Property and any fixture and fitting on that Property including any fixture or fitting on that Property for display or advertisement, on licence or otherwise;
- (e) any sum paid or payable under any policy of insurance in respect of loss of rent or interest on rent;
- (f) any sum paid or payable, or the value of any consideration given, for the grant, surrender, amendment, supplement, waiver, extension or release of any Lease Document;
- (g) any sum paid or payable in respect of a breach of covenant or dilapidations under any Lease Document;
- (h) any sum paid or payable by or distribution received or receivable from any guarantor of any occupational tenant under any Lease Document;

- (i) any Tenant Contributions; and
- (j) any interest paid or payable on, and any damages, compensation or settlement paid or payable in respect of, any sum referred to above less any related fees and expenses incurred (which have not been reimbursed by another person) by the Chargor.

"Secured Liabilities" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Chargor to any Secured Party under any Finance Document.

"Security Period" means the period from the date of this Deed until the date on which the Lender has determined (acting reasonably) that all of the Secured Liabilities have been irrevocably and unconditionally paid and discharged in full and that no commitment is outstanding.

"Tenant Contributions" means any amount paid or payable to the Chargor by any tenant under a Lease Document or any other occupier of a Property, by way of:

- (a) contribution to:
 - (i) ground rent;
 - (ii) insurance premia;
 - (iii) the cost of an insurance valuation;
 - (iv) a service or other charge in respect of the Chargor's costs in connection with any management, repair, maintenance or similar obligation or in providing services to a tenant of, or with respect to, a Property; or
 - (v) a reserve or sinking fund; and/or
- (b) VAT.

1.2 **Construction**

- (a) Unless a contrary intention appears, sub-clause 1.2 (*Construction*) and sub-clause 1.4 (*Third party rights*) of the Facility Agreement apply to this Deed, and shall be deemed to be incorporated into this Deed, mutatis mutandis, as though set out in full in this Deed, with any reference to **"this Agreement"** being deemed to be a reference to **"this Deed"**, subject to any necessary changes.
- (b) Any references to the Lender or any Receiver shall include its Delegate.
- (c) Unless a contrary indication appears, references to clauses and schedules are to clauses of and schedules to this Deed and references to sub-clauses and paragraphs are references to sub-clauses and paragraphs of the clause or schedule in which they appear.

1.3 **Law of Property (Miscellaneous Provisions) Act 1989**

To the extent necessary for any agreement for the disposition of the Charged Property in this Deed to be a valid agreement under section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the other Finance Documents and of any side letters between the parties to this Deed are incorporated into this Deed.

1.4 Implied covenants for title

The obligations of the Chargor under this Deed shall be in addition to the covenants for title deemed to be included in this Deed by virtue of Part I of the Law of Property (Miscellaneous Provisions) Act 1994.

1.5 Effect as a Deed

This Deed is intended to take effect as a deed notwithstanding that the Lender may have executed it under hand only.

1.6 Trusts

The perpetuity period for any trusts created by this Deed is 125 years.

1.7 Finance Document

This Deed is a Finance Document.

2. Charged Property

2.1 Fixed charges

The Chargor, as security for the payment of the Secured Liabilities, charges in favour of the Lender, with full title guarantee, the following assets, from time to time owned by it or in which it has an interest:

- (a) by way of first legal mortgage, each Property; and
- (b) by way of first fixed charge:
 - (i) all Property not effectively mortgaged under sub-clause 2.1(a); and
 - (ii) and if not effectively assigned by way of security pursuant to clause 2.2 (*Security assignment*), all its rights and interests in (and claims under) the assets described in sub-clause 2.2 (*Security assignment*).

2.2 Security assignment

As security for the payment of the Secured Liabilities, the Chargor assigns, by way of security, with full title guarantee to the Lender all its rights, title and interest in:

- (a) the Insurances and the Insurance Proceeds;
- (b) any Rental Income; and
- (c) any Lease Document;

and all Related Rights in respect of each of the above.

2.3 Limited Recourse

- (a) The liability of the Chargor to the Lender under this Deed shall be:
 - (i) limited in aggregate to an amount equal to that recovered by the Lender as a
 - (ii) result of the enforcement of this Deed with respect to the Security Assets; and

- (iii) satisfied only from the proceeds of sale or other disposal or realisation of the Security Assets pursuant to this Deed; and
- (b) The Lender shall not have any recourse under this Deed to any assets of the Chargor other than the Security Assets.

3. **Nature of Security**

3.1 ***Continuing security***

- (a) The Security created by this Deed is to be a continuing security notwithstanding any intermediate payment or settlement of all or any part of the Secured Liabilities or any other matter or thing.
- (b) If any purported obligation or liability of any Obligor to the Lender which if valid would have been the subject of any obligation or charge created by this Deed is or becomes unenforceable, invalid or illegal on any ground whatsoever whether or not known to the Lender, the Chargor shall nevertheless be liable in respect of that purported obligation or liability as if the same were fully valid and enforceable and the Chargor was the principal debtor in respect thereof. The Chargor agrees to keep the Lender fully indemnified against all damages, losses, costs and expenses arising from any failure of any Obligor to carry out any such purported obligation or liability.
- (c) The obligations and liabilities of the Chargor under this Deed will not be affected by any act, omission, matter or thing which, but for this paragraph, would reduce, release or prejudice any of its obligations or liabilities under this Deed (without limitation and whether or not known to the Lender) including:
 - (i) any time, waiver or consent granted to, or composition with, any Obligor or other person;
 - (ii) the release of any Obligor or any other person under the terms of any composition or arrangement with any creditor of any person;
 - (iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over any assets of any Obligor or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
 - (iv) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Obligor or any other person;
 - (v) any amendment (however fundamental) or replacement of any Finance Document or any other document or Security;
 - (vi) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or Security; or
 - (vii) any insolvency or similar proceedings.
- (d) Until the Security Period has ended and unless the Lender otherwise directs, the Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under this Deed:
 - (i) to be indemnified by any Obligor (including any rights it may have by way of subrogation);
 - (ii) to claim any contribution from any guarantor of any Obligor of the obligations under the Finance Documents;

- (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any right of the Lender under any Finance Document or of any other guarantee or Security taken pursuant to, or in connection with, the Finance Documents;
 - (iv) to claim, rank, prove or vote as a creditor of any Obligor or its estate in competition with the Lender; and/or
 - (v) receive, claim or have the benefit of any payment, distribution or security from or on account of any Obligor, or exercise any right of set-off against any Obligor.
- (e) The Chargor shall hold on trust for and immediately pay or transfer to the Lender any payment or distribution or benefit of Security received by it contrary to this sub-clause.
 - (f) The Chargor waives any right it may have of first requiring the Lender to proceed against or enforce any other rights or Security or claim payment from any person before claiming from an Obligor under a Finance Document. This waiver applies irrespective of any law or any provision of the Finance Document to the contrary.
 - (g) Until the Security Period has ended, the Lender may refrain from applying or enforcing any other monies, Security or rights held or received by the Lender in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Chargor shall not be entitled to the benefit of the same.
 - (h) Without prejudice to the generality of clause 4.1(c), the Chargor expressly confirms that it intends that the Security constituted by this Deed shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to the Secured Liabilities as a result of the amendment and/or restatement of the Facility Agreement and/or any of the other Finance Documents and/or any additional facility or amount which is made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

3.2 Non-merger of Security

The Security created by this Deed is to be in addition to and shall neither be merged with nor in any way exclude or prejudice or be affected by any other Security or other right which the Lender may now or after the date of this Deed hold for any of the Secured Liabilities, and this Deed may be enforced against the Chargor without first having recourse to any other rights of the Lender.

4. Further assurances and protection of priority

4.1 General

- (a) The Chargor shall, at its own expense, promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Lender may reasonably specify (and in such form as the Lender may reasonably require in favour of the Lender or its nominee(s)):
 - (i) to perfect or protect the Security created or intended to be created under, or evidenced by, this Deed (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of this Deed) or for the exercise of any

rights, powers and remedies of the Lender provided by or pursuant to this Deed or by law;

- (ii) to confer on the Lender, Security over any assets of the Chargor, located in any jurisdiction, equivalent or similar to the Security intended to be conferred by or pursuant to this Deed and, pending the conferring of such Security, hold such assets upon trust (or in any manner required by the Lender) for the Lender; and/or
 - (iii) to facilitate the realisation or enforcement of the assets which are, or are intended to be, the subject of the Security created, or intended to be created, by this Deed.
- (b) The Chargor shall take all such action (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Lender by or pursuant to this Deed.

4.2 HM Land Registry

- (a) In relation to the Property from time to time, the Chargor irrevocably consents to the Lender applying to the Chief Land Registrar for a restriction to be entered on the Register of Title of all that Property (including any unregistered properties subject to compulsory first registration at the date of this Deed) on the prescribed Land Registry form and in the following or substantially similar terms:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the legal mortgage dated [●] in favour of [●] referred to in the charges register."

- (b) The Lender must perform its obligations under the Facility Agreement (including any obligation to make available further advances). In relation to the Property, the Lender may apply to the Chief Land Registrar for a notice to be entered onto the Register of Title of all that Property (including any unregistered properties subject to compulsory first registration at the date of this Deed) of the obligation to make further advances.

4.3 Notices

The Chargor shall, on the date of this Deed, give notice of:

- (a) the assignment of the Insurances under this Deed to its insurers in the form set out in part 2 (*Form of notice to insurers*) of Schedule 2 (*Form of notices*);
- (b) the assignment of each Lease Document under this Deed to the relevant tenant in the form set out in part 3 (*Form of notice in relation to a Lease Document*) of Schedule 2 (*Form of notices*);

and, in each case, shall use all reasonable endeavours to procure that each person on whom a notice is served, executes and delivers to the Lender an acknowledgement of that notice in the relevant form scheduled to this Deed or in such other form as the Lender may require.

5. Representations and warranties

The Chargor makes the representations and warranties listed below in favour of the Lender.

5.1 Status

- (a) The Chargor is a limited liability company, duly incorporated and validly existing under the law of its Original Jurisdiction.

- (b) It has the power to own its assets and carry on its business as it is being conducted.

5.2 Binding obligations

The obligations expressed to be assumed by it in this Deed are, subject to the Legal Reservations, legal, valid, binding and enforceable obligations.

5.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, this Deed and the granting of the Transaction Security do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument.

5.4 Power and authority

- (a) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Deed and the transactions contemplated by this Deed.
- (b) No limit on its powers will be exceeded as a result of the grant of security contemplated by this Deed.

5.5 Validity and admissibility in evidence

- (a) All Authorisations required:
 - (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in this Deed; and
 - (ii) to make this Deed admissible in evidence in its Relevant Jurisdiction,have been obtained or effected and are in full force and effect (except any Authorisation to which any Perfection Requirements relate, which such Authorisations will be promptly obtained or effected at the required time(s)).
- (b) All Authorisations necessary for the conduct of the business, trade and ordinary activities of the Chargor have been obtained or effected and are in full force and effect.

5.6 Governing law and enforcement

- (a) Subject to the Legal Reservations, the choice of the governing law of this Deed will be recognised and enforced in its Relevant Jurisdiction.
- (b) Any judgment obtained in relation to this Deed in the jurisdiction of the governing law of this Deed will be recognised and enforced in its Relevant Jurisdiction.

5.7 Deduction of Tax

It is not required to make any deduction for or on account of Tax from any payment it may make under any Finance Document to the Lender to extent that the Lender is:

- (a) a Qualifying Lender:

- (i) falling within paragraph (i)(A) of the definition of Qualifying Lender; or
- (ii) except where a Direction has been given under section 931 of the ITA in relation to the payment concerned, falling within paragraph (i)(B) of the definition of Qualifying Lender; or
- (iii) falling within paragraph (ii) of the definition of Qualifying Lender; or
- (b) a Treaty Lender and the payment is one specified in a direction given by the Commissioners of Revenue & Customs under Regulation 2 of the Double Taxation Relief (Taxes on Income) (General) Regulations 1970 (SI 1970/488).

5.8 No filing or stamp taxes

- (a) Under the laws of its Relevant Jurisdiction it is not necessary that this Deed be registered, filed, recorded, notarised or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to this Deed or the transactions contemplated by this Deed save for:
 - (i) registration of particulars of this Deed at Companies House under the Companies Act 2006 and payment of associated fees; and
 - (ii) registration of this Deed at the Land Registry or Land Charges Register in England and Wales and payment of associated fees,

which registrations, filings, taxes and fees will be made and paid promptly after the date of this Deed, provided that:

- (b) Any disclosure required to be made by it to any relevant taxing authority in relation to stamp duty land tax payable on any transactions contemplated by or being financed by this Deed has been made.

5.9 No default

- (a) No Event of Default is continuing or might reasonably be expected to result from the entry into, or the performance of, or any transaction contemplated by, this Deed.
- (b) No other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or a termination event (however described) under any other agreement or instrument which is binding on it or to which any of its assets are subject which has or is reasonably likely to have a Material Adverse Effect.

5.10 Information

- (a) All information supplied by it or on its behalf to the Lender in connection with the Transaction Documents was true and accurate in all material respects as at the date it was provided or as at any date at which it was stated to be given
- (b) Any financial projections contained in the information referred to in clause 5.10(a) have been prepared as at their date on the basis of recent historical information and on the basis of reasonable assumptions.
- (c) It has not omitted to supply any information which, if disclosed, would make the information referred to in clause 5.10(a) untrue or misleading in any material respect or.

- (d) As at the date of this Deed, nothing has occurred since the date of the information referred to in clause 5.10(a) which if disclosed, would make that information untrue or misleading in any material respect.

5.11 Financial statements

- (a) Its Original Financial Statements were prepared in accordance with GAAP consistently applied.
- (b) There has been no material adverse change in the business or financial condition of the Chargor since [].
- (c) Its most recent financial statements delivered pursuant to clause 9.1 (*Financial statements*):
 - (i) have been prepared in accordance with GAAP as applied to the Original Financial Statements; and
 - (ii) give a true and fair view of (if audited) or fairly represent (if unaudited) its financial condition and operations during the relevant Financial Year.
- (d) Since the date of the most recent financial statements delivered pursuant to clause 9.1 (*Financial statements*) there has been no material adverse change in the business or financial condition of the Chargor.

5.12 Pari passu ranking

Its payment obligations under this Deed rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

5.13 No proceedings

No litigation, arbitration or administrative proceedings of, or before any court, arbitral body or agency which, if adversely determined, are reasonably likely to have a Material Adverse Effect have (to the best of its knowledge and belief) been started against it.

5.14 Valuation

- (a) All information supplied by it or on its behalf to the Valuer for the purposes of each Valuation was true and accurate as at its date or (if appropriate) as at the date (if any) at which it is stated to be given.
- (b) Any financial projections contained in the information referred to in clause 5.14(a) have been prepared as at their date, on the basis of recent historical information and on the basis of reasonable assumptions.
- (c) It has not omitted to supply any information to the Valuer which, if disclosed, would adversely affect the Valuation.
- (d) As at the date of this Deed, nothing has occurred since the date the information referred to in clause 5.14(a) was supplied which, if it had occurred prior to the Initial Valuation, would have adversely affected the Initial Valuation.

5.15 Charged Property

- (a) Immediately prior to the date of this Deed, it was the legal and beneficial owner of the Charged Property with the right to transfer with full title guarantee all or any part of the Charged Property and had good and marketable title to the Charged Property.

- (b) Save in respect of any of the Charged Property that is legally assigned to the Lender pursuant to this Deed, it is the legal and beneficial owner of the Charged Property with the right to transfer with full title guarantee all or any part of the Charged Property and has good and marketable title to the Charged Property.
- (c) Except as disclosed in a Property Report relating to the Property (from the date of the Chargor's acquisition of the Property):
 - (i) no breach of any law, regulation or covenant is outstanding which adversely affects or might reasonably be expected to adversely affect the value, saleability or use of the Property;
 - (ii) there is no covenant, agreement, stipulation, reservation, condition, interest, right, easement or other matter whatsoever adversely affecting the Property;
 - (iii) nothing has arisen or has been created or is outstanding which would be an overriding interest which overrides first registration or a registered disposition, over the Property;
 - (iv) all facilities necessary for the enjoyment and use of that Property (including those necessary for the carrying on of its business at the Property) are enjoyed by the Property;
 - (v) none of the facilities referred to in clause 5.15(c)(iv) are enjoyed on terms:
 - (A) entitling any person to terminate or curtail its use of the Property; or
 - (B) which conflict with or restrict its use of the Property;
 - (vi) the Chargor has not received any subsisting notices of any adverse claim by any person in respect of the ownership of the Property or any interest in it which might reasonably be expected to be determined in favour of that person, nor has any acknowledgement been given to any such person in respect of the Property; and
 - (vii) the Property is held by the Chargor free from any lease or licence (other than those entered into in accordance with this Deed or existing on the date of this Deed and of which details are disclosed in the Quarterly Report delivered to the Lender pursuant to the Facility Agreement.
- (d) All deeds and documents necessary to show good and marketable title to the Chargor's interests in the Property are:
 - (i) In possession of the Lender;
 - (ii) Held at the applicable Land Registry to the order of the Lender; or
 - (iii) Held to the order of the Lender by a firm of solicitors approved by the Lender for that purpose.

5.16 Information for Property Reports

- (a) The information supplied by it or on its behalf to the lawyers who prepared the Property Report for the purpose of the Property Report was true and accurate in all material respects as at the date of the Property Report or (if appropriate) as at the date (if any) at which it is stated to be given.
- (b) The information referred to in clause 5.16(a) was, at the date it was expressed to be given, complete and did not omit any information which, if disclosed would make that information untrue or misleading in any material respect.

- (c) Nothing has occurred since the date of any information referred to in clause 5.16(a) which, if disclosed, would make that information untrue or misleading in any material respect.

5.17 *Environmental laws*

- (a) It is in compliance with clause 7.10 (*Environmental matters*) and, so far as it is aware, no circumstances have occurred which would prevent such compliance in a manner or to an extent which has or is reasonably likely to have a Material Adverse Effect.
- (b) No Environmental Claim has been commenced or, so far as it is aware, is threatened against it, where that claim has, or is reasonably likely, if adversely determined, to have a Material Adverse Effect.
- (c) The cost of compliance with Environmental Laws (including Environmental Permits) is, so far as it is aware, adequately provided for and the cost of compliance with recommendations contained in any environmental report is adequately provided for.

5.18 *Centre of main interests and establishments*

For the purposes of Regulation (EU) 2015/848 of 20 May 2015 on insolvency proceedings (recast) (the "**Regulation**"), its centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in England and Wales and it has no "establishment" (as that term is used in Article 2(10) of the Regulation) in any other jurisdiction.

5.19 *Ranking of Security*

Subject items mandatorily preferred by law and the Legal Reservations, the security conferred by this Deed constitutes a first priority security interest of the type described, over the assets referred to, in this Deed and those assets are not subject to any prior or pari passu Security.

5.20 *Repetition*

The representations in this clause are deemed to be made by the Chargor by reference to the facts and circumstances then existing on the date of this Deed and on each Utilisation Request, on each Utilisation Date and on the first day of each Interest Period.

6. *Undertakings*

6.1 *Duration of undertakings*

The Chargor undertakes to the Lender in the terms of this clause for the duration of the Security Period.

6.2 *Authorisations*

The Chargor shall promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) on request from the Lender from time to time, supply a certified copy to the Lender of, any Authorisation required under any law or regulation of a Relevant Jurisdiction to:
- (c) enable it to perform its obligations under this Deed and to ensure the legality, validity, enforceability or admissibility in evidence of this Deed;
- (d) in connection with the management, use and occupation of the Property; or

- (e) own its assets and carry on its business as it is being conducted,
where failure to do so has or is reasonably likely to have a Material Adverse Effect.

6.3 **Compliance with laws**

The Chargor shall comply in all respects with all laws to which it may be subject, if failure so to comply has or is reasonably likely to have a Material Adverse Effect.

6.4 **Negative pledge**

In this clause 6.4, "Quasi-Security" means an arrangement or transaction described in clause 6.4(b).

- (a) The Chargor shall not create or permit to subsist any Security over any of its assets.
- (b) The Chargor shall not:
 - (i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by a Transaction Obligor;
 - (ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
 - (iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
 - (iv) enter into any other preferential arrangement having a similar effect,
in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.
- (v) Clause 6.4(a) and (b) do not apply to any Security or (as the case may be) Quasi-Security, listed below:
 - (A) the Transaction Security;
 - (B) any lien arising by operation of law and in the ordinary course of day-to-day trading;
 - (C) any Security that is released prior to the first Utilisation;
 - (D) any Permitted Security.

6.5 **Disposals**

- (a) The Chargor shall not enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to dispose of all or any part of any asset.
- (b) Clause 6.5(a) does not apply to any disposal which is a Permitted Disposal.
- (c) The Chargor may dispose of the Property if all of the following conditions have been met:
 - (i) the Borrower has given the Lender at least 10 Business Days' notice of the proposed disposal;
 - (ii) the Lender has provided its prior written consent to the disposal;

- (iii) no Default is continuing or would result from the disposal; and
- (iv) the disposal is on arm's length terms to an unrelated third party.
- (d) The Chargor must ensure that the Disposal Proceeds are immediately credited (or, as the case may be, transferred) to the Borrower General Account in accordance with clause 17.5 (*Disposals Account*) of the Facility Agreement.
- (e) A Property disposed of in accordance with clause 6.5(c) will cease to be a Property.

6.6 Financial Indebtedness

- (a) The Chargor may not incur or permit to be outstanding any Financial Indebtedness.
- (b) Clause 6.6(a) does not apply to:
 - (i) any Financial Indebtedness incurred under the Finance Documents or any other banking facilities held by the Chargor with the Lender;
 - (ii) any Permitted Financial Indebtedness; or
 - (iii) any Financial Indebtedness repaid prior to the first Utilisation.

6.7 Lending and guarantees

- (a) The Chargor may not be the creditor in respect of any loan or any form of credit to any person.
- (b) Clause 6.7(a) does not apply to a Permitted Loan
- (c) The Chargor may not give or allow to be outstanding any guarantee or indemnity to or for the benefit of any person in respect of any obligation of any other person or enter into any document under which the Chargor assumes any liability of any other person other than any guarantee or indemnity given under the Finance Documents other than a Permitted Guarantee.

6.8 Merger

The Chargor shall not enter into any amalgamation, demerger, merger or corporate reconstruction.

6.9 Change of business

- (i) The Chargor may not carry on any business other than the ownership and management of its interests in the Property or Properties in which it has an interest.
- (ii) The Chargor may not have any Subsidiary.

6.10 Acquisition

The Chargor may not make any acquisition or investment other than as permitted under this Deed.

6.11 VAT Group

The Chargor shall not be a member of any value added tax group.

6.12 Taxes

- (a) The Chargor must pay and discharge all Taxes due and payable by it prior to the accrual of any fine or penalty for late payment, unless (and only to the extent that):
 - (i) payment of those Taxes is being contested in good faith;
 - (ii) adequate reserves are being maintained for those Taxes and the costs required to contest them; and
 - (iii) failure to pay those Taxes is not reasonably likely to have a Material Adverse Effect.
- (b) Each Obligor must ensure that its residence for Tax purposes is in the jurisdiction of its incorporation.

6.13 Further assurance

- (a) The Chargor shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Lender may reasonably specify (and in such form as the Lender may reasonably require in favour of the Lender or its nominee(s)):
 - (i) to create, perfect, protect and maintain the Security created or intended to be created under or evidenced by the Security Documents to which it is a party (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Transaction Security) or for the exercise of any rights, powers and remedies of the Lender provided by or pursuant to the Finance Documents or by law;
 - (ii) to confer on the Lender Security over any property and assets located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the this Deed; and/or
 - (iii) (if an Event of Default is continuing) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Transaction Security.
- (b) The Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Lender by or pursuant to the Finance Documents.

7. Property Undertakings

The Chargor undertakes to the Lender in the terms of this clause for the duration of the Security Period.

7.1 Title

- (a) The Chargor must exercise its rights and comply in all respects with any covenant, stipulation or obligation (restrictive or otherwise) at any time affecting the Property.
- (b) The Chargor may not agree to any amendment, supplement, waiver, surrender or release of any covenant, stipulation or obligation (restrictive or otherwise) at any time affecting the Property except as otherwise authorised by or pursuant to this Deed.
- (c) The Chargor must promptly take all such steps as may be necessary or desirable to enable the Security created by the Security Documents to which it is a party to be registered, where appropriate, at the applicable Land Registry.

7.2 Occupational Leases

The Chargor may not, without the consent of the Lender, enter into or grant or agree to enter into or grant any Lease Document or Licence or other right of occupation or right to receive rent or right to use or occupy or access and/or make use of any parts of the Property (or, if such Lease Document or Licence or other right of occupation or right to receive rent or right to use or occupy or access and/or make use of any parts of the Property exists at the date of this Deed or in the future is consented to by the Lenders, amend it without the consent of the Lender).

7.3 Headleases

(a) The Chargor must:

- (i) pay the rents reserved by and exercise its rights and comply with its obligations under the Headlease to which it is a party;
- (ii) use its reasonable endeavours to ensure that each landlord complies with its obligations under such Headlease;
- (iii) immediately notify the Lender of any matter or event under or by reason of which such Headlease has or may become subject to determination or forfeiture or if any notice of forfeiture is received by it; and
- (iv) if so required by the Lender, apply for relief against forfeiture of such Headlease,

in a proper and timely manner.

(b) The Chargor may not:

- (i) agree to any amendment, supplement, waiver, surrender or release of the Headlease to which it is a party;
- (ii) exercise any right to break, determine or extend such Headlease;
- (iii) agree to any rent review in respect of such Headlease; or
- (iv) do or knowingly allow to be done any act as a result of which such Headlease is likely to become liable to forfeiture or otherwise be terminated.

7.4 Maintenance

The Chargor must ensure that, and (where such obligation rests with a tenant pursuant to an Occupational Lease or a landlord pursuant to a Headlease) procure that, all buildings, plant, machinery, fixtures and fittings on the Property are in, and maintained in:

- (a) good and substantial repair and condition and, as appropriate, in good working order; and
- (b) such repair, condition and order as to enable them to be let in accordance with all applicable laws and regulations; for this purpose, a law or regulation will be regarded as applicable if it is either:
 - (i) in force; or
 - (ii) it is expected to come into force and a prudent property owner in the same business as the Chargor would ensure that its buildings, plant, machinery, fixtures and fittings were in such condition, repair and order in anticipation of that law or regulation coming into force,

and, when necessary, the Chargor shall replace (or procure the replacement of) them with items of similar quality and value.

7.5 Notices

The Chargor must, within 14 days after the receipt by the Chargor of any material application, requirement, order or notice served or given by any public or local or any other authority or any landlord with respect to the Property (or any part of it):

- (a) deliver a copy to the Lender;
- (b) inform the Lender of the steps taken or proposed to be taken to comply with the relevant requirement, order or notice; and
- (c) at the request of the Lender (but at the cost of the Chargor) make or join with the Lender in making such objections, representations against, appealing against or in respect of any proposal contained in such order or notice as the Lender shall deem expedient in order to protect its interests.

7.6 Investigation of title

The Chargor must grant the Lender or its lawyers on request all facilities within the power of the Chargor to enable the Lender or its lawyers to:

- (a) carry out investigations of title to the Property; and
- (b) make such enquiries in relation to any part of the Property as a prudent mortgagee might carry out.

7.7 Power to remedy

- (a) If the Chargor fails to perform any obligations under this Deed (where such failure may adversely affect its Property), that Chargor must allow the Lender or its agents and contractors:
 - (i) subject to the terms of any Occupational Lease, to enter any part of the Property;
 - (ii) to comply with or object to any notice served on the Chargor in respect of the Property; and
 - (iii) to take any action that the Lender may reasonably consider necessary or desirable to prevent or remedy any breach of any such term or to comply with or object to any such notice.
- (b) The Chargor must immediately on request by the Lender pay the costs and expenses of the Lender or its agents and contractors properly incurred in connection with any action taken by it under this clause.
- (c) The Lender shall not be obliged to account as mortgagee in possession as a result of any action taken under this clause.

7.8 Managing Agents

The Chargor may not appoint, or terminate the appointment of, any managing agent in respect of the Property without the prior consent of, and on terms approved by, the Lender (such consent not to be unreasonably withheld or delayed).

7.9 Insurance

- (a) The Chargor must ensure, and (where such obligation rests with a tenant pursuant to an Occupational Lease or a landlord pursuant to a Headlease) procure, that at all times Insurances are maintained in full force and effect, which:
 - (i) insures the Chargor in respect of its interests in the Property and the plant and machinery on the Property (including fixtures and improvements) for their full replacement value (being the total cost of entirely rebuilding, reinstating or replacing the relevant asset if it is completely destroyed, together with all related fees and demolition costs) and to:
 - (A) provide cover against loss or damage by fire, storm, tempest, flood, earthquake, lightning, explosion, impact, aircraft and other aerial devices and articles dropped from them, riot, civil commotion and malicious damage, bursting or overflowing of water tanks, apparatus or pipes and all other normally insurable risks of loss or damage;
 - (B) provide cover for site clearance, shoring or propping up, professional fees and (where applicable) value added tax together with adequate allowance for inflation;
 - (C) provide for contractor's all risks insurance covering contractors and sub-contractors in accordance (where applicable) with the provisions of each relevant building contract in respect of those risks typically included under a contractors' all risks insurance policy (in each case on terms satisfactory to the Lender and on a full reinstatement basis in relation to the Property and the relevant Development Works);
 - (D) in respect of Development Works involving residential developments, maintain suitable NHBC cover (or an equivalent satisfactory to the Lender, acting reasonably);
 - (E) provide cover against acts of terrorism, including any third party liability arising from such acts; and
 - (F) provide cover for loss of rent (in respect of a period of not less than 3 years or, if longer, the minimum period required under the Lease Documents) including provision for any increases in rent during the period of insurance, provided that each Insurance in respect of loss of rent insurance may contain terms and conditions to the effect that if any amounts paid to the loss payee and/or the insured in respect of the value of any insured property or the amount of property damage are not applied to mitigate the insured's loss (whether by way of rebuild, repair, reinstatement, restoration or otherwise), or if there is an unreasonable delay in such application (other than as a result of the need to obtain any necessary planning consents), the indemnity period under any applicable loss of rent insurance shall cease immediately and the insured shall cease to have any right to an indemnity in respect of the indemnity period after that date;
 - (ii) include public liability and third party liability insurance;
 - (iii) insure such other risks as a prudent company in the same business as the Chargor would insure; and
 - (iv) in each case are in an amount, and in form, and with an insurance company or underwriters, acceptable at all times to the Lender.
- (b) The Chargor must contractually require to be maintained (and monitor and report annually on renewal to the Lender on the maintenance of) professional indemnity insurance in respect of each contractor, professional, sub-contractor and such other

persons involved in the relevant Development Works with a professional responsibility.

- (c) The Chargor Obligor must procure that the Lender is named as co-insured under each of the Insurances (other than professional indemnity, public liability and third party liability insurances) to the extent that the Insurances, respectively, relate to the properties for the time being of the Chargor and their respective development activities but without liability on the part of the Lender for any premium in relation to those Insurances.
- (d) The Chargor must procure that the Insurances (other than professional indemnity insurances) comply with the following requirements:
 - (i) each of the Insurances must contain:
 - (A) a non-invalidity and non-vitiation clause under which the Insurances will not be vitiated or avoided as against any insured party as a result of any circumstances beyond the control of that insured party or any misrepresentation, non disclosure, or breach of any policy term or condition, on the part of any insured party or any agent of any insured party;
 - (B) a waiver of the rights of subrogation of the insurer as against the Chargor, the Lender and the tenants of the Property; and
 - (C) a (first) loss payee clause (other than in respect of public liability and third party liability insurance) in such terms as the Lender may reasonably require in respect of insurance claim payments otherwise payable to the Chargor in excess of £100,000;
 - (ii) the insurers must give at least 30 days' notice to the Lender if any insurer proposes to repudiate, rescind or cancel any Insurance, to treat it as avoided in whole or in part, to treat it as expired due to non-payment of premium or otherwise decline any valid claim under it by or on behalf of any insured party and must give the opportunity to rectify any such non-payment of premium within the notice period; and
 - (iii) the Chargor must be free to assign all amounts payable to it under each of its Insurances and all its rights in connection with those amounts in favour of the Lender.
- (e) The Chargor must use all reasonable endeavours to ensure that the Lender receives copies of the Insurances, receipts for the payment of premiums for insurance and any information in connection with the insurances and claims under them which the Lender may reasonably require.
- (f) The Chargor must promptly notify the Lender of: the proposed terms of any future renewal of any of the Insurances;
 - (i) any amendment, supplement, extension, termination, avoidance or cancellation of any of the Insurances made or, to its knowledge, threatened or pending;
 - (ii) any claim, and any actual or threatened refusal of any claim, under any of the Insurances; and
 - (iii) any event or circumstance which has led or may lead to a breach of any term of this clause.
- (g) The Chargor must:

- (i) comply with the terms of the Insurances (where it is an insured party on such Insurances);
 - (ii) not do or permit anything to be done which may make void or voidable any of the Insurances (where it is an insured party on such Insurances); and comply with all reasonable risk improvement requirements of its insurers.
- (h) The Chargor must ensure that:
 - (iii) each premium for the Insurances is paid promptly and in any event prior to the commencement of the period of insurance for which that premium is payable (unless the premium becomes due and payable at a later date); and
 - (iv) all other things necessary are done so as to keep each of the Insurances in force.
- (i) The Chargor shall (no later than 7 days prior to the expiry date in respect of an insurance policy) provide to the Lender a copy of the renewal cover note in respect of such insurances evidencing that such new insurance has been renewed and is on risk and the Chargor shall provide a copy of the premium receipt and such other evidence that the Lender reasonably requests to evidence such renewal.
- (j) If the Chargor fails to comply with any term of this clause, the Lender may, at the expense of the Chargor effect any insurance and generally do such things and take such other action as the Lender may reasonably consider necessary or desirable to prevent or remedy any breach of this clause.
- (k) Except as provided below, the proceeds of any Insurances must be applied in prepayment of the Loans in accordance with clause 7.3 (*Mandatory Prepayment*) of the Facility Agreement.
 - (i) To the extent required by the basis of settlement under any Insurances or under any Lease Document, the Chargor must apply moneys received under any Insurances in respect of the Property towards replacing, restoring or reinstating the Property.
 - (ii) Moneys received under liability policies held by the Chargor which are required by the Chargor to satisfy established liabilities of the Chargor to third parties must be used to satisfy these liabilities.

7.10 **Environmental matters**

- (a) The Chargor must:
 - (i) comply and ensure that any relevant third party complies with all Environmental Law;
 - (ii) obtain, maintain and ensure compliance with all requisite Environmental Permits applicable to it or to the Property; and
 - (iii) implement procedures to monitor compliance with and to prevent liability under any Environmental Law applicable to it or the Property, where failure to do so has or is reasonably likely to have a Material Adverse Effect or result in any liability for the Lender.
- (b) The Chargor must, promptly upon becoming aware, notify the Lender of:
 - (i) any Environmental Claim started, or to its knowledge, threatened;
 - (ii) any circumstances reasonably likely to result in an Environmental Claim; or

- (iii) any suspension, revocation or notification of any Environmental Permit.
- (c) The Chargor must indemnify the Lender against any loss or liability which:
 - (i) the Lender incurs as a result of any actual or alleged breach of any Environmental Law by any person; and
 - (ii) would not have arisen if this Deed had not been entered into,unless it is caused by the Lender's gross negligence or wilful misconduct.

7.11 Survey recommendations

The Chargor will (unless and to the extent otherwise agreed in writing by the Lender) promptly implement (and, in any event within any time period stipulated in any such report or survey) all steps recommended to be implemented under any Environmental Report or Structural Survey provided to the Lender pursuant to the Facility Agreement and notify the Lender when all such steps have been fully implemented.

7.12 Reports

The Chargor shall take all reasonable and practical steps to preserve and enforce its rights and pursue any claims and remedies under any environmental reports, structural surveys, any Property Reports and any Valuations.

7.13 Assured shorthold tenancies

If the Property is, or will be, subject to an assured shorthold tenancy, the Chargor shall comply with the appropriate tenancy deposit protection scheme in relation to the Property and provide evidence of such compliance to the Lender on request.

7.14 Compulsory Purchase

The Chargor must notify the Lender immediately on becoming aware that the Property or any part of the Property is to be compulsorily purchased or that the applicable governmental agency or authority has made or proposes to make an order for the compulsory purchase of the Property or any part of the Property. On receipt of any such notice, the Lender may request a revised Valuation of the Property (the cost of any such Valuation being borne by the Chargor).

8. Development undertakings

8.1 Development Standards

The Chargor must ensure that all such Development Works are diligently carried out and completed:

- (a) in a good and workmanlike manner, using materials of good quality which are fit for their respective purposes;
- (b) in accordance with the Development Consents and applicable law; and
- (c) at least in accordance with the relevant Codes of Practice and British Standard Specifications as applicable to such Development Works.

8.2 Development Authorisations

The Chargor shall:

- (a) use all reasonable endeavours to ensure that all Development Consents required in respect of all such Development Works are maintained and remain effective without amendment for the benefit of the relevant Development Works; and
- (b) obtain all necessary consents of adjoining owners or occupiers and all necessary grants, releases, waivers, modifications, covenants to enable all Development Works to be completed.

9. Information undertakings

The Chargor undertakes to the Lender in the terms of this clause for the duration of the Security Period.

9.1 Financial statements

The Chargor shall supply to the Lender:

- (a) as soon as they are available, but in any event within 270 days after the end of each of its financial years, its audited consolidated financial statements for that financial year; and
- (b) as soon as they are available, but in any event within 45 days after the end of each financial quarter its unaudited management accounts for the financial quarter year ending on that Financial Quarter Date.

9.2 Requirements as to financial statements

The Chargor shall procure that each set of financial statements delivered pursuant to clause 9.1 (*Financial statements*) is prepared using GAAP, accounting practices and financial reference periods consistent with those applied in the preparation of the Original Financial Statements for the Chargor unless, in relation to any set of financial statements, it notifies the Lender that there has been a change in GAAP, the accounting practices or reference periods and its auditors deliver to the Lender:

- (a) a description of any change necessary for those financial statements to reflect the GAAP, accounting practices and reference periods upon which the Chargor's Original Financial Statements were prepared; and
- (b) sufficient information, in form and substance as may be reasonably required by the Lender, to enable it to make an accurate comparison between the financial position indicated in those financial statements and Chargor's Original Financial Statements.

Any reference in this Deed to those financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.

9.3 Information: miscellaneous

The Chargor shall supply to the Lender:

- (a) Such information as the Lender may reasonably require about the Security Assets and compliance by the Chargor with the terms of this Deed; and
- (b) any financial information (if available) on any occupational tenant of the Property received by the Chargor pursuant to the terms of any Occupational Lease.

9.4 Notification of default

The Chargor shall notify the Lender of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

9.5 "Know your customer" checks

If:

- (a) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Deed;
- (b) any change in the status of the Chargor or the composition of the shareholders of the Chargor after the date of this Deed; or
- (c) a proposed assignment or transfer by the Lender of any of its rights and/or obligations under this Deed,

obliges the Lender (or, in the case of clause 9.5(c), any prospective new Lender) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, the Chargor shall promptly upon the request of the Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Lender (for itself or, in the case of the event described in clause 9.5(c), on behalf of any prospective new Lender) in order for the Lender or, in the case of the event described in clause 9.5(c), any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

10. Enforcement and powers of the Lender

10.1 Enforcement

At any time when an Event of Default is continuing, the Security created pursuant to this Deed shall be immediately enforceable and the Lender may in its absolute discretion and without notice to the Chargor or the prior authorisation of any court:

- (a) enforce all or any part of the Security created by this Deed and take possession of or dispose of all or any of the Charged Property in each case at such times and upon such terms as it sees fit; and
- (b) whether or not it has appointed a Receiver, exercise all of the powers, authorities and discretions:
 - (i) conferred from time to time on mortgagees by the LPA (as varied or extended by this Deed) or by law; and
 - (ii) granted to a Receiver by this Deed or from time to time by law.

10.2 Power of sale, leasing and other powers

- (a) For the purpose of all rights and powers implied or granted by law, the Secured Liabilities are deemed to have fallen due on the date of this Deed. The power of sale and other powers conferred by section 101 of the LPA and all other enforcement powers conferred by this Deed shall be immediately exercisable at any time when an Event of Default is continuing.
- (b) The Lender may lease, make agreements for leases at a premium or otherwise, accept surrenders of leases and grant options or vary or reduce any sum payable under any leases or tenancy agreements as it thinks fit, without the need to comply with any of the provisions of sections 99 and 100 of the LPA.
- (c) In the exercise of the powers conferred by this Deed, the Lender may sever and sell plant, machinery or other fixtures separately from the property to which they may be

annexed and it may apportion any rent or other amount without the consent of the Chargor.

10.3 Statutory restrictions

The restriction on the consolidation of mortgages and on power of sale imposed by sections 93 and 103 respectively of the LPA shall not apply to the Security constituted by this Deed.

10.4 Appropriation

- (a) In this Deed, "**financial collateral**" has the meaning given to that term in the Financial Collateral Arrangements (No.2) Regulations 2003.
- (b) At any time when an Event of Default is continuing, the Lender may appropriate all or part of the financial collateral in or towards satisfaction of the Secured Liabilities.
- (c) The Parties agree that the value of any such Charged Property appropriated in accordance with sub-clause 10.4(b) shall be the market price of such Charged Property at the time the right of appropriation is exercised as determined by the Lender by reference to such method or source of valuation as the Lender may reasonably select, including by independent valuation. The Parties agree that the methods or sources of valuation provided for in this sub-clause or selected by the Lender in accordance with this sub-clause shall constitute a commercially reasonable manner of valuation for the purposes of the Financial Collateral Arrangements (No.2) Regulations 2003.
- (d) The Lender shall notify the Chargor, as soon as reasonably practicable, of the exercise of its right of appropriation as regards such of the Charged Property as are specified in such notice.

11. Appointment of a Receiver

11.1 Appointment

- (a) At any time when an Event of Default is continuing, or at the request of the Chargor or its directors, the Lender may, without prior notice to the Chargor, in writing (under seal, by deed or otherwise under hand) appoint a Receiver in respect of the Charged Property or any part thereof and may in like manner from time to time (and insofar as it is lawfully able to do) remove any Receiver and appoint another in his place.
- (b) Nothing in sub-clause 11.1(a) shall restrict the exercise by the Lender of any one or more of the rights of the Lender under Schedule B1 to the Insolvency Act 1986 and the rules thereunder or at common law.
- (c) Section 109(1) of the LPA shall not apply to this Deed.

11.2 Several Receivers

If at any time there is more than one Receiver, each Receiver may separately exercise all of the powers conferred by this Deed (unless the document appointing such Receiver states otherwise).

11.3 Remuneration of Receiver

The Lender may from time to time fix the remuneration of any Receiver appointed by it from time to time. For the purpose of this sub-clause, the limitation set out in section 109(6) LPA shall not apply.

11.4 Liability of Lender for actions of a Receiver

Each Receiver shall be the agent of the Chargor which shall be solely responsible for his acts or defaults, and for his remuneration and expenses, and be liable on any agreements or engagements made or entered into by him. The Lender shall not be responsible for any misconduct, negligence or default of a Receiver.

12. Powers of a Receiver

A Receiver shall have (and be entitled to exercise) in relation to the Charged Property over which he is appointed the following powers (as the same may be varied or extended by the provisions of this Deed):

- (a) all of the specific powers set out in Schedule 4 (*Powers of Receiver*);
- (b) all of the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- (c) all of the powers conferred from time to time on receivers, mortgagors and mortgagees in possession by the LPA;
- (d) all of the powers conferred on the Lender under this Deed;
- (e) all the powers and rights of a legal and beneficial owner and the power to do or omit to do anything which the Chargor itself could do or omit to do; and
- (f) the power to do all things which, in the opinion of the Receiver, are incidental to any of the powers, functions, authorities or discretions conferred or vested in the Receiver pursuant to this Deed or upon receivers by statute or law generally (including the bringing or defending of proceedings in the name of, or on behalf of, the Chargor; the collection and/or realisation of Charged Property in such manner and on such terms as the Receiver sees fit; and the execution of documents in the name of the Chargor (whether under hand, or by way of deed or by utilisation of the company seal of the Chargor)).

13. Application of monies

13.1 Order of application

All amounts from time to time received or recovered by the Lender pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or any part of the Security created by this Deed (for the purposes of this clause, the "**Recoveries**") shall be held by the Lender on trust to apply the same at any time as the Lender (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of this clause), in the following order, after the payment of any preferential debts ranking in priority to the Secured Liabilities:

- (a) in discharging any sums owing to any Receiver and in payment of all costs and expenses incurred by the Lender in connection with any realisation or enforcement of the Security created by this Deed;
- (b) in payment of any Secured Liabilities; and
- (c) the balance of any Recoveries, after all amounts due under sub-clauses 13.1(a) to (b) have been paid in full, to the Chargor.

The provisions of this sub-clause will override any appropriation made by the Chargor.

13.2 Prospective liabilities

When an Event of Default is continuing, the Lender may, in its discretion, hold any amount of the Recoveries in an interest bearing suspense or impersonal account(s) in the name of the

Lender with such financial institution (including itself) and for so long as the Lender shall think fit (the interest being credited to the relevant account) for later application under sub-clause 13.1 (*Order of application*) in respect of:

- (a) any sum to the Lender or any Receiver; and
- (b) any part of the Secured Liabilities,

that the Lender reasonably considers, in each case, might become due or owing at any time in the future.

13.3 *Investment of proceeds*

Prior to the application of the proceeds of the Recoveries in accordance with sub-clause 13.1 (*Order of application*) the Lender may, in its discretion, hold all or part of those proceeds in an interest bearing suspense or impersonal account(s) in the name of the Lender with such financial institution (including itself) and for so long as the Lender shall think fit (the interest being credited to the relevant account) pending the application from time to time of those monies in the Lender's discretion in accordance with the provisions of sub-clause 13.1 (*Order of application*).

13.4 *Currency conversion*

- (a) For the purpose of, or pending the discharge of, any of the Secured Liabilities the Lender may convert any monies received or recovered by the Lender from one currency to another, at a market rate of exchange.
- (b) The obligations of any Obligor to pay in the due currency shall only be satisfied to the extent of the amount of the due currency purchased after deducting the costs of conversion.

13.5 *Permitted deductions*

The Lender shall be entitled, in its discretion:

- (a) to set aside by way of reserve, amounts required to meet, and to make and pay, any deductions and withholdings (on account of taxes or otherwise) which it is or may be required by any applicable law to make from any distribution or payment made by it under this Deed; and
- (b) to pay all Taxes which may be assessed against it in respect of any of the Charged Property, or as a consequence of performing its duties, or by virtue of its capacity as Lender under any of the Finance Documents or otherwise.

14. *Protection of third parties*

14.1 *No obligation to enquire*

No purchaser from, or other person dealing with, the Lender or a Receiver shall be obliged or concerned to enquire whether:

- (a) the right of the Lender or Receiver to exercise any of the powers conferred by this Deed has arisen or become exercisable or as to the propriety or validity of the exercise or purported exercise of any such power; or
- (b) any of the Secured Liabilities remains outstanding or be concerned with notice to the contrary and the title and position of such a purchaser or other person shall not be impeachable by reference to any of those matters.

14.2 *Receipt conclusive*

The receipt of the Lender or any Receiver shall be an absolute and a conclusive discharge to a purchaser, and shall relieve such purchaser of any obligation to see to the application of any monies paid to or by the direction of the Lender or any Receiver.

15. Protection of the Secured Parties

15.1 No liability

Neither the Lender nor the Receiver shall be liable in respect of any of the Charged Property or for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective powers.

15.2 Possession of Charged Property

Without prejudice to sub-clause 15.1 (*No liability*), if the Lender or a Receiver enters into possession of the Charged Property, it will not be liable to account as mortgagee in possession and may at any time at its discretion go out of such possession.

15.3 No proceedings

No Party (other than the Lender, a Receiver or a Delegate in respect of its own officers, employees or agents) may take any proceedings against any officer, employee or agent of the Lender, a Receiver or a Delegate in respect of any claim it might have against the Lender, a Receiver or Delegate or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document or any Charged Property and any officer, employee or agent of the Lender, a Receiver or Delegate may rely on this clause subject to sub-clause 1.4 (*Third party rights*) of the Facility Agreement and the provisions of the Third Parties Act.

16. Costs and expenses, indemnities and default interest

16.1 Transaction expenses

The Chargor shall promptly on demand pay to the Lender the amount of all costs and expenses (including legal fees) reasonably incurred by it (and any Receiver or Delegate) in connection with the negotiation, preparation, printing, execution and perfection of this Deed and any other documents referred to in this Deed.

16.2 Amendment costs

the Chargor requests an amendment, waiver or consent the Chargor shall, within 3 Business Days of demand, reimburse the Lender for the amount of all costs and expenses (including legal fees) reasonably incurred by it (and any Receiver or Delegate) in responding to, evaluating, negotiating or complying with that request or requirement.

16.3 Enforcement and preservation costs

The Chargor shall, within 3 Business Days of demand, pay to the Lender the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of, or the preservation of any rights under, this Deed and any other documents referred to in this Deed.

16.4 Currency indemnity

(a) If any sum due from the Chargor under this Deed ("**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency ("**First Currency**") in which that Sum is payable into another currency ("**Second Currency**") for the purpose of:

(i) making or filing a claim or proof against that Obligor; or

- (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the Chargor shall as an independent obligation, within 3 Business Days of demand, indemnify the Lender against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

- (b) The Chargor waives any right it may have in any jurisdiction to pay any amount under this Deed in a currency or currency unit other than that in which it is expressed to be payable.

16.5 Other indemnities

The Chargor shall, within 3 Business Days of demand, indemnify the Lender against any cost, loss or liability incurred by the Lender as a result of:

- (a) any failure by the Chargor to comply with its obligations under this Deed;
- (c) the taking, holding, protection or enforcement of the Security created by this Deed; or
- (b) the exercise of any of the rights, powers, discretions and remedies vested in it by this Deed or by law.

17. Cumulative powers and avoidance of payments

17.1 Cumulative powers

The powers which this Deed confers on the Lender and any Receiver appointed under this Deed are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as the relevant person thinks appropriate. The Lender or the Receiver may, in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever. The respective powers of the Lender and the Receiver will in no circumstances be suspended, waived or otherwise prejudiced by anything other than an express consent or amendment.

17.2 Amounts avoided

If any amount paid by the Chargor in respect of the Secured Liabilities is capable of being avoided or set aside on the liquidation or administration of the Chargor or otherwise, then for the purposes of this Deed that amount shall not be considered to have been paid.

17.3 Discharge conditional

Any settlement or discharge between the Chargor and the Lender shall be conditional upon no security or payment to the Lender by the Chargor or any other person being avoided, set aside, ordered to be refunded or reduced by virtue of any provision or enactment relating to insolvency and accordingly (but without limiting the other rights of the Lender under this Deed) the Lender shall be entitled to recover from the Chargor the value which the Lender has placed on that security or the amount of any such payment as if that settlement or discharge had not occurred.

18. Ruling-off accounts

If the Lender receives notice of any subsequent Security or other interest affecting any of the Charged Property (except as permitted by the Facility Agreement) it may open a new account for the Chargor in its books. If it does not do so then (unless it gives written notice to the contrary to the Chargor or any of them), as from the time it receives that notice, all payments made by the Chargor to it (in the absence of any express appropriation to the contrary) shall

be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Liabilities.

19. Power of attorney

The Chargor, by way of security, irrevocably and severally appoints each of the Lender and any Receiver as its attorney (with full power of substitution and delegation) in its name and on its behalf and as its act and deed to execute, seal and deliver (using the company seal where appropriate) and otherwise perfect and do any deed, assurance, agreement, instrument, act or thing which it ought to execute and do under the terms of this Deed, or which may be required or deemed proper in the exercise of any rights or powers conferred on the Lender or any Receiver under this Deed or otherwise for any of the purposes of this Deed, and the Chargor covenants with each of the Lender and any Receiver to ratify and confirm all such acts or things made, done or executed by that attorney.

20. Delegation

20.1 The Lender and any Receiver may, at any time, delegate by power of attorney or otherwise to any person for any period, all or any of the rights, powers and discretions vested in it by or pursuant to this Deed.

20.2 That delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Lender or any Receiver may, in its discretion, think fit in the interests of the Lender or any Receiver and it shall not be bound to supervise, or be in any way responsible for any loss incurred by reason of any misconduct or default on the part of any such delegate or sub-delegate.

21. Redemption of prior charges

The Lender may redeem any prior Security on or relating to any of the Charged Property or procure the transfer of that Security to itself, and may settle and pass the accounts of any person entitled to that prior Security. Any account so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor. The Chargor will on demand pay to the Lender all principal monies and interest and all losses incidental to any such redemption or transfer.

22. Notices

22.1 Communications in writing

Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made by fax or letter.

22.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is that identified with its name below, or any substitute address or fax number or department or officer as the Lender may notify to the Borrower (if a change is made by the Lender) or as the Borrower may notify to the Lender (if a change is made by an Obligor) by not less than 5 Business Days' notice.

22.3 Delivery

(a) Any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective:

(i) if by way of fax, when received in legible form; or

- (ii) if by way of letter, when it has been left at the relevant address or 5 Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address;

and, if a particular department or officer is specified as part of its address details, if addressed to that department or officer.

- (b) Any communication or document to be made or delivered to the Lender will be effective only when actually received by the Lender and then only if it is expressly marked for the attention of the department or officer identified with the Lender's signature below (or any substitute department or officer as the Lender shall specify for this purpose).
- (c) Any communication or document which becomes effective, in accordance with clause 22.3(a) and/or clause 22.3(b) after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day.

22.4 English language

- (a) Any notice given under or in connection with this Deed must be in English.
- (b) All other documents provided under or in connection with this Deed must be:
 - (i) in English; or
 - (ii) if not in English, and if so required by the Lender, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

23. Miscellaneous

23.1 Assignment

The Chargor may not assign any of its rights or transfer any of its rights or obligations under this Deed. The Lender may assign and transfer all or any part of its rights and obligations under this Deed.

23.2 Partial invalidity

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

23.3 Counterparts

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

23.4 Covenant to release

At the end of the Security Period, the Lender shall, at the request and cost of the Chargor, release the Charged Property from the security constituted by this Deed (including any assignment by way of security) by executing a release substantially in the form set out in Schedule 3 (*Form of Deed of Release*) with such amendments as the Lender may agree.

23.5 Disclosure

The Lender may disclose to any person to whom it discloses Confidential Information in accordance with clause 38 (*Confidentiality*) of the Facility Agreement any information about the Chargor, the Facility Agreement or this Deed as the Lender shall consider appropriate.

24. Governing Law

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

25. Jurisdiction

25.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "**Dispute**").

25.2 The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

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

In witness this Deed is executed on the date appearing at the head of page 1.

Schedule 1

Charged Property

Part 1

The Property

Address or description of the Property	Title No:
<p>CW The land at Killams Taunton Somerset being those parts of the land comprised in title number ST289333 shown edged <i>green</i> <i>1</i> on the Site Plan <i>attached Site Plan</i></p>	Part of ST289333

(Save for the following title numbers which have already been transferred out of title number ST289333: ST351903, ST352175, ST352401, ST352405, ST352439, ST352627, ST352971, ST353218, ST353694, ST353706, ST354093, ST354204, ST354674, ST354677, ST354755, ST354797, ST355429, ST355860, ST355912, ST356145, ST357933, ST358011, ST358375, ST356354, ST356390, ST356525, ST356644, ST356751, ST356894, ST356943, ST357194, ST357001, ST357312, ST357541, ST357663, ST357897, ST357933, ST358011, ST358375.)

Schedule 2

Form of notices

Part 1

(Form of notice to insurers)

To: •[insert name and address of insurer]

Dated: •

Dear [•]

Re: •[identify the relevant insurance policy[ies]] (the "Policy[ies]")

We notify you that we have assigned, by way of security, to • (the "Lender") all our right, title and interest in the Policy[ies] as security for certain obligations owed by us to the Lender.

[We irrevocably instruct and authorise you to pay all payments [in each case in excess of • per property in any one year] under or arising under the Policy[ies] to our account called [] at [Bank], account number • sort code •. It is very important that you make all immediate arrangements for all such sums payable by you under the Policy[ies] to be paid to this account.]

We further notify you that:

1. you may continue to deal with us in relation to the Policy[ies] until you receive written notice to the contrary from the Lender. Thereafter, we will cease to have any right to deal with you in relation to the Policy[ies] and therefore from that time you should deal only with the Lender;
2. you are authorised to disclose information in relation to the Policy[ies] to the Lender on its request; and
3. the provisions of this notice may only be revoked or amended with the prior written consent of the Lender.

We will remain liable to perform all our obligations under the Policy[ies] and the Lender is under no obligation of any kind whatsoever under the Policy[ies] nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Policy[ies].

Please sign and return the enclosed copy of this notice to the Lender (with a copy to us) by way of confirmation that:

- (a) you agree to act in accordance with the provisions of this notice;
- (b) you will not amend, waive or release any right, interest or benefit in relation to the Policy[ies] (or agree to do the same) without the prior written consent of the Lender;
- (c) as the Lender is named as [co-insured and loss payee], the Policy[ies] will not be vitiated or avoided as against any insured party as a result of any circumstances beyond the control of that insured party or any misrepresentation, non-disclosure, or breach of any policy term or condition, on the part of any insured party or any agent of any insured party;

- (d) [after receipt of written notice in accordance with paragraph 1, you will pay all monies to which we are entitled under the Policy[ies] direct to the Lender (and not to us) unless the Lender otherwise agrees in writing;]
- (e) you will give at least [30] days' notice to the Lender if you propose to repudiate, rescind or cancel any Policy[ies], to treat [it/them] as avoided in whole or in part, to treat [it/them] as expired due to non-payment of premium or otherwise decline any valid claim under [it/them] by or on behalf of any insured party and you will give the opportunity to rectify any such non-payment of premium within the notice period;
- (f) you waive your rights of subrogation as against us, any tenant of a property or any other party;
- (g) you have not received notice that we have assigned or charged our rights under the Policy[ies] to a third party or created any other interest in the Policy[ies] in favour of a third party; and
- (h) you have not claimed or exercised nor do you have any outstanding right to claim or exercise against us, any right of set-off, counter-claim or other right relating to the Policies.

The provisions of this notice and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully

.....
for and on behalf of

•

[On acknowledgement copy]

To: •

Copy to: •

We acknowledge receipt of the above notice and the notifications therein, agree to abide by its terms and confirm the matters set out in paragraphs (a) to (h) (inclusive) of that notice.

.....
for and on behalf of

•[insert name of insurer]

Dated: •

Part 2

(Form of notice in relation to a Lease Document)

To: •[tenant]

Dated: •

Dear [•],

Re: the lease dated • and made between • and • (the "Lease")

We notify you that we have assigned, by way of security, to Lloyds Bank plc (the "**Lender**") all our rights, title and interest in the Lease as security for certain obligations owed by us to the Lender.

We irrevocably instruct and authorise you to pay any rent payable by you under the Lease to [our account with [Bank] at •, Account No. •, Sort Code • (the "**Rent Account**")].¹

Please sign and return the enclosed copy of this notice to the Lender (with a copy to us) by way of confirmation that:

- (i) you have not received any notice that any third party has or will have any right or interest in, or has made or will be making any claim or demand or taking any action in respect of, our rights under or in respect of the Lease;
- (j) you will pay all rent and all other monies payable by you under the Lease to the Rent Account; and
- (k) you will continue to pay those monies to the Lender until you receive the Lender's written instructions to the contrary.

The instructions in this notice apply until you receive notice from the Lender to the contrary and notwithstanding any previous instructions given by us.

The instructions in this notice may not be revoked or amended without the prior written consent of the Lender.

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

Yours faithfully,

.....
for and on behalf of
Taunfield Limited

¹ OC Note: Borrower counsel to confirm relevant account details

[On acknowledgement copy]

To: Lloyds Bank plc

Copy to: Taunfield Limited

We acknowledge receipt of the above notice and the notifications therein, agree to abide by its terms and confirm the matters set out in paragraphs (i) to (k) (inclusive) of that notice.

.....
for and on behalf of

•[Insert name of tenant]

Dated: •

Schedule 3

Form of Deed of Release

This Deed of Release is made on

20●●

Between:

- (1) **Lloyds Bank plc** (the "**Lender**"); and
- (2) **Tauntfield Ltd** (company number 03685715) whose registered office is at Tauntfield, South Road, Taunton, Somerset, TA1 3ND (the "**Chargor**").

It is agreed as follows:

1. Capitalised terms used but not otherwise defined in this Deed have the meaning ascribed to them by the legal mortgage granted by the Chargor to the Lender on ● (the "**Mortgage**").
2. The Lender releases all and any Security (including any assignment by way of security) created by, or evidenced in, the Mortgage (together the "**Security Interests**").
3. The Lender agrees, subject to its costs for so doing being fully indemnified by the Chargor, to execute such other documents for the release of the Security Interests as the Chargor may reasonably require, including, without limitation, notices of reassignment and Land Registry Forms.
4. This Deed and any non-contractual obligations arising out of or in connection with it are governed by English Law.

In witness this Deed is executed on the date appearing at the head of page 1.

[Add signature blocks]

NOTE: this deed of release is intended to provide a simple template for the Lender to execute on redemption of the secured liabilities without needing to take additional legal advice at such time should it choose not to. It cannot therefore be negotiated until the time of release, at which point the Lender will consider any proposed amendments from the Chargor.

Schedule 4
Powers of Receiver

1. Possession

Take immediate possession of, get in and collect the Charged Property or any part thereof.

2. Carry on business

Carry on, manage or concur in carrying on or managing the whole or any part of the business of the Chargor as he in his discretion may think fit.

3. Protection of assets

- (a) Manage, insure, repair, decorate, maintain, alter, improve, develop, construct, modify, refurbish, renew or add to the Charged Property or concur in so doing;
- (b) commence, continue or complete any new works, unfinished work, building operations, construction, reconstruction, maintenance, furnishing, finishing or fitting-out on the Property;
- (c) apply for and maintain any planning permissions, building regulations, approvals and any other permissions, consents or licences,

in each case as he in his discretion may think fit;

4. Realisation of assets

Sell, exchange, convert into money and realise the Charged Property or concur in so doing by public auction or private contract and generally in such manner and on such terms as he in his discretion may think fit. Without prejudice to the generality of the foregoing, he may do any of these things for any valuable consideration, whether full market value or otherwise, including, without limitation, cash, shares, stock, debentures or other obligations. Any such consideration may be payable in a lump sum or by instalments spread over such period as he in his discretion may think fit.

5. Let, hire or lease

- (d) Let, hire or lease (with or without premium) and accept surrenders of leases or tenancies or concur in so doing;
- (e) grant rights, options or easements over and otherwise deal with or dispose of, and exercise all rights, powers and discretions incidental to, the ownership of the Charged Property;
- (f) exchange or concur in exchanging the Charged Property;

in each such case in such manner and generally on such terms as he may in his discretion think fit, with all the powers of an absolute beneficial owner. The Receiver may exercise any such power by effecting such transaction in the name or on behalf of the Chargor or otherwise;

6. Registration

Use the Chargor's name to effect any registration or election for tax or other purposes.

7. **Insurances**

Effect, review or vary insurances.

8. **Borrowing**

For the purpose of exercising any of the powers, authorities or discretions conferred on him by or pursuant to this Deed or of defraying any costs (including, without limitation, his remuneration) which are incurred by him in the exercise of such powers, authorities or discretions or for any other purpose, to raise and borrow money or incur any other liability either unsecured or secured on the Charged Property, either in priority to the Security created by this Deed or otherwise, and generally on such terms as he in his discretion may think fit. No person lending such money is to be concerned to enquire as to the propriety or purpose of the exercise of such power or as to the application of money so raised or borrowed.

9. **Lending**

Lend money to any person.

10. **Advance credit**

Advance credit, in the ordinary course of the Chargor's business, to any person.

11. **Make calls**

Make, or require the directors of the Chargor to make, such calls upon the shareholders of the Chargor in respect of any uncalled capital of the Chargor as the Receiver in his discretion may require and enforce payment of any call so made by action (in the name of the Chargor or the Receiver as the Receiver in his direction may think fit) or otherwise.

12. **Compromise**

(g) Settle or compromise any claim by, adjust any account with, refer to arbitration any dispute with, and deal with any question or demand from, any person who is, or claims to be, a creditor of the Chargor, as he may in his discretion think fit; and

(h) settle or compromise any claim, adjust any account, refer to arbitration any dispute and deal with any question or demand relating in any way to the Charged Property, as he in his discretion may think fit.

13. **Proceedings**

In the name of the Chargor, bring, prosecute, enforce, defend or abandon all such actions, suits and proceedings in relation to the Charged Property as he in his discretion may think fit.

14. **Subsidiaries**

(i) Promote the formation of any subsidiary of the Chargor with a view to such subsidiary purchasing, leasing, licensing or otherwise acquiring an interest in the Charged Property;

(j) arrange for the purchase, lease, licence or acquisition of an interest in the Charged Property by any such subsidiary for any valuable consideration, including, without limitation, cash, shares, debentures, loan stock, convertible loan stock or other securities, profits or a sum calculated by reference to profits, turnover, royalties, licence fees or otherwise, whether or not secured on the undertaking or assets of such subsidiary and whether or not such consideration is payable or receivable in a lump sum or at any time or any number of times by instalments spread over such period, as the Receiver in his discretion may think fit; and

- (k) arrange for such subsidiary to trade or cease to trade as the Receiver in his discretion may think fit.

15. Employees

Appoint and discharge any manager, officer, agent, professional adviser, employee and any other person, upon such terms as he in his discretion may think fit.

16. Receipts

Give valid receipts for all monies and execute all assurances and things which he in his discretion may think proper or desirable for realising the Charged Property.

17. Delegation

Delegate any or all of his powers in accordance with this Deed.

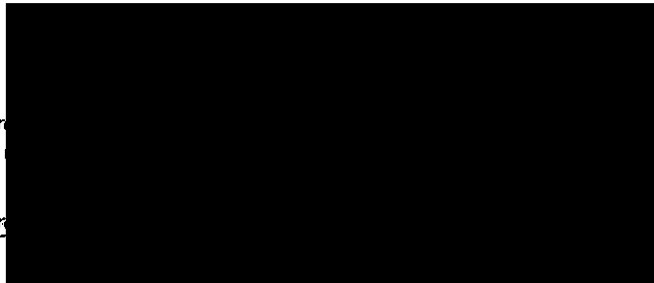
Signatories to this Legal Mortgage

Chargor

Executed as a deed by)
Tauntfield Limited)
acting by)
two directors:)

Signature

Signature



Notice details

Address: •
Fax: •
Attention: •

Lender

Signed by)
authorised signatory)
for and on behalf of)
Lloyds Bank plc)

Notice Details

Address: •
Fax: •
Attention: •

Signatories to this Legal Mortgage

Chargor

Executed as a deed by)
Tauntfield Limited)
acting by)
a director, in the presence of:)

Signature of director

Signature of witness

Name of witness

Address of witness

Occupation of witness

Notice details

Address: •
Fax: •
Attention: •

Lender

Signed by)
authorised signatory)
for and on behalf of)
Lloyds Bank plc)

[Redacted]
[Redacted]

LYNN HAYNE

Notice Details

Address: Canons House, Canons Way, Bristol, BS1 5LL
Telephone: 07776 225052
Attention: Shon Pallickaeth

