



Registration of a Charge

Company name: **ETAIREIA INVESTMENTS PLC**

Company number: **06138814**



X6JEY0TM

Received for Electronic Filing: **17/11/2017**

Details of Charge

Date of creation: **07/11/2017**

Charge code: **0613 8814 0001**

Persons entitled: **TAXSPECIALEFX (PETERLEE) LLP**

Brief description: **THE LEASEHOLD PROPERTY AT PLOTS 2A AND 2B, TRAYNORE WAY, PETERLEE (TITLE NUMBER: DU336706).**

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.**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 6138814

Charge code: 0613 8814 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 7th November 2017 and created by ETAIREIA INVESTMENTS PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 17th November 2017 .

Given at Companies House, Cardiff on 21st November 2017

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

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

Signed: Charles Russell Speechlys LLP

Dated: 15 November 2017

CRS

**Charles Russell
Speechlys**

DATED

7 November

2017

(1) ETAIREIA INVESTMENTS PLC

(2) TAXSPECIALEFX (PETERLEE) LLP

**LEGAL MORTGAGE OVER PROPERTY –
PLOTS 2A AND 2B, TRAYNOR WAY, PETERLEE**

CONTENTS

1	DEFINITIONS AND INTERPRETATION	1
2	COVENANT TO PAY	6
3	GRANT OF SECURITY	6
4	PERFECTION OF SECURITY	7
5	LIABILITY OF THE BORROWER	8
6	REPRESENTATIONS AND WARRANTIES	9
7	GENERAL COVENANTS	11
8	PROPERTY COVENANTS	13
9	POWERS OF THE LENDER	18
10	WHEN SECURITY BECOMES ENFORCEABLE	20
11	ENFORCEMENT OF SECURITY	20
12	RECEIVERS	22
13	POWERS OF RECEIVER	23
14	DELEGATION	26
15	APPLICATION OF PROCEEDS	26
16	COSTS AND INDEMNITY	27
17	FURTHER ASSURANCE	28
18	POWER OF ATTORNEY	28
19	RELEASE	29
20	ASSIGNMENT AND TRANSFER	29
21	SET-OFF	29
22	AMENDMENTS, WAIVERS AND CONSENTS	29
23	SEVERANCE	30
24	COUNTERPARTS	30
25	THIRD PARTY RIGHTS	30
26	FURTHER PROVISIONS	31
27	NOTICES	32
28	GOVERNING LAW AND JURISDICTION	33
	SCHEDULE 1 - PROPERTY	34
	SCHEDULE 2 - EVENTS OF DEFAULT	35
	SCHEDULE 3 - FORM OF NOTICE AND ACKNOWLEDGMENT FOR TENANT	36
	SCHEDULE 4 - FORM OF NOTICE AND ACKNOWLEDGMENT FOR INSURER	40

THIS DEED is dated

7 November

2017

BETWEEN:

- (1) **ETAIREIA INVESTMENTS PLC** a company registered in England (registered number 06138814) whose registered office is at 2nd Floor Cambridge House, Cambridge Road, Harlow, Essex, CM20 2EQ ("**Mortgagor**"); and
- (2) **TAXSPECIALEFX (PETERLEE) LLP** a limited liability partnership registered in England (registered number OC305181) whose registered office is at Valhalla, 30 Ashby Road, Towcester, Northamptonshire, NN12 6PG ("**Mortgagee**").

BACKGROUND:

- (A) The Mortgagor owns the Property (defined below).
- (B) This deed provides security which the Mortgagor has agreed to give the Mortgagee for the Deferred Payment (defined below).

AGREED TERMS:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

Terms defined in the Contract shall, unless otherwise defined in this Deed, have the same meaning in this Deed. In addition, the following definitions apply in this Deed:

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

Charged Property 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);

Contract the contract for the sale and purchase of the Property dated ~~today's date~~ between the Mortgagor (as buyer) and the Mortgagee (as seller);

Deed of Assignment of Rental Income the deed of assignment of rental income dated on or about the date of this deed between the Mortgagor (as assignor) and the Mortgagee (as assignee);

Deferred Payment the sum of £525,000 (five hundred and twenty five thousand pounds only) less the net sum of any rental income paid to the Seller under the

3 May
2017
CLS

	Deed of Assignment of Rental Income.
Delegate	any person appointed by the Mortgagee or any Receiver under clause 14 and any person appointed as attorney of the Mortgagee, Receiver or Delegate;
Document	<p>(a) the Contract;</p> <p>(b) this Deed; and</p> <p>(c) the Deed of Assignment of Rental Income</p>
Environment	the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media;
Environmental Law	all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment;
Environmental Licence	any authorisation, permit or licence necessary under Environmental Law in respect of any of the Charged Property;
Event of Default	any of the events set out in Schedule 2;
Insurance Policy	each contract or policy of insurance effected or maintained or procured by the Mortgagor from time to time in respect of the Property, or any such policy of insurance in which the Mortgagor has an interest;
Headlease	the lease of the Property dated 6 February 2013 and made between Chancery Nominee Services No. 1 Limited and Chancery Nominee Services No. 2 Limited as nominee of and trustee for the members of the Whitehouse Point Development Syndicate (1) and the Mortgagee (2) and the documents varying or supplemental or collateral

to it listed in schedule 2 to the Contract;

Lease

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

LPA 1925

the Law of Property Act 1925;

Property

the freehold or leasehold property (whether registered or unregistered) owned by the Mortgagor described in Schedule 1;

Receiver

a receiver or a receiver and manager of any or all of the Charged Property;

Rental Income

all amounts paid or payable to or for the account of the Mortgagor in connection with the letting, licence or grant of other rights of use or occupation of all or any part of the Property;

Secured Liabilities

means the Deferred Payment and all and any other sums due from the Mortgagor to the Mortgagee under the Contract, and any recoveries arising under clause 26.3.2;

Security

any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect;

Security Period

the period starting on the date of this Deed and ending on the date on which the Mortgagee is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding;

VAT

value added tax.

1.2 Interpretation

In this Deed:

- 1.2.1 clause, Schedule and paragraph headings shall not affect the interpretation of this Deed;

- 1.2.2 a reference to a person shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality);
- 1.2.3 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- 1.2.4 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- 1.2.5 a reference to a party shall include that party's successors, permitted assigns and permitted transferees and this Deed shall be binding on, and enure to the benefit of, the parties to this Deed and their respective personal representatives, successors, permitted assigns and permitted transferees;
- 1.2.6 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- 1.2.7 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- 1.2.8 a reference to writing or written includes fax but not email;
- 1.2.9 an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- 1.2.10 a reference to this Deed (or any provision of it) or to any other agreement or document referred to in this Deed is a reference to this Deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this Deed) from time to time;
- 1.2.11 unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this Deed and a reference to a paragraph is to a paragraph of the relevant Schedule;
- 1.2.12 any words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- 1.2.13 a reference to an amendment includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly);
- 1.2.14 a reference to assets includes present and future properties, undertakings, revenues, rights and benefits of every description;
- 1.2.15 a reference to an authorisation includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;

- 1.2.16 a reference to continuing in relation to an Event of Default means an Event of Default that has not been waived;
- 1.2.17 a reference to determines or determined means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it;
- 1.2.18 a reference to a regulation includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation; and
- 1.2.19 for the avoidance of doubt, the terms of the Contract incorporated by reference into this Deed shall continue to apply to this Deed notwithstanding any repayment of the Secured Liabilities to the Mortgagee under the Contract or the Contract Agreement not being legal, valid, binding and enforceable.

1.3 Clawback

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

1.4 Nature of security over real property

A reference in this Deed to a charge or mortgage of or over the Property includes:

- 1.4.1 all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) and fixed plant and machinery that are situated on or form part of the Property at any time;
- 1.4.2 the proceeds of the sale of any part of the Property and any other monies paid or payable in respect of or in connection with the Property;
- 1.4.3 the benefit of any covenants for title given, or entered into, by any predecessor in title of the Mortgagor in respect of the Property and any monies paid or payable in respect of those covenants; and
- 1.4.4 all rights under any licence, agreement for sale or agreement for lease in respect of the Property.

1.5 Law of Property (Miscellaneous Provisions) Act 1989

For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Contract and of any side letters between any parties in relation to the Contract are incorporated into this Deed.

1.6 Perpetuity period

If the rule against perpetuities applies to any trust created by this Deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

1.7 Schedules

The Schedules form part of this Deed and shall have effect as if set out in full in the body of this Deed. Any reference to this Deed includes the Schedules.

2 COVENANT TO PAY

The Mortgagor shall, on demand, pay to the Mortgagee and discharge the Secured Liabilities as they become due.

3 GRANT OF SECURITY

3.1 Legal mortgage and fixed charges

As a continuing security for the payment and discharge of the Secured Liabilities, the Mortgagor with full title guarantee charges to the Mortgagee:

3.1.1 by way of first legal mortgage, the Property; and

3.1.2 by way of first fixed charge:

- (a) all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy, the Rental Income and the benefit of any guarantee or security in respect of the Rental Income to the extent not effectively assigned under clause 3.2;
- (b) the benefit of all other contracts, guarantees, appointments and warranties relating to the Charged Property and other documents to which the Mortgagor is a party or which are in its favour or of which it has the benefit relating to any letting, development, sale, purchase, use or the operation of the Charged Property or otherwise relating to the Charged Property (including, in each case, but without limitation, the right to demand and receive all monies whatever payable to or for its benefit under or arising from any of them, all remedies provided for in any of them or available at law or in equity in relation to any of them, the right to compel performance of any of them and all other rights, interests and benefits whatever accruing to or for its benefit arising from any of them); and
- (c) all authorisations (statutory or otherwise) held or required in connection with the Mortgagor's business carried on at the Property or the use of any Charged Property, and all rights in connection with them.

3.2 Assignment

As a continuing security for the payment and discharge of the Secured Liabilities, the Mortgagor with full title guarantee assigns to the Mortgagee absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities:

- 3.2.1 all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy; and
- 3.2.2 the Rental Income and the benefit of any guarantee or security in respect of the Rental Income,

provided that (i) nothing in this clause 3.2 shall constitute the Mortgagee as mortgagee in possession and (ii) the assignment of Rental Income hereunder is without prejudice to and does not derogate from the Deed of Assignment of Rental Income.

4 PERFECTION OF SECURITY

4.1 Registration of legal mortgage at the Land Registry

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

"No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [●] 2017 in favour of Taxspecialefx (Peterlee) LLP referred to in the charges register or their conveyancer."

4.2 Cautions against first registration and notices

Whether or not title to the Property is registered at the Land Registry, if any caution against first registration or any notice (whether agreed or unilateral) is registered against the Mortgagor's title to the Property, the Mortgagor shall immediately provide the Mortgagee with full particulars of the circumstances relating to such caution or notice. If such caution or notice was registered to protect a purported interest the creation of which is not permitted under this Deed, the Mortgagor shall immediately, and at its own expense, take such steps as the Mortgagee may require to ensure that the caution or notice, as applicable, is withdrawn or cancelled.

4.3 Notice of assignment of Rental Income

- 4.3.1 The Mortgagor shall upon execution of this Deed (or, if later, the date on which the Mortgagor enters into a Lease) give notice substantially in the form of Part 1 of Schedule 3 (*Form of Notice to Tenant*) addressed to each tenant to such Lease confirming that the Mortgagor has assigned all its

right, title and interest in the Rental Income and other monies payable under that Lease.

- 4.3.2 The relevant Mortgagor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice in substantially the form specified in Part 2 of Schedule 3 (*Form of Acknowledgement from Tenant*) within 7 Business Days of that notice being given.

4.4 Notice of assignment of Insurance Policies

- 4.4.1 The Mortgagor shall immediately upon execution of this Deed (or, if later, the date on which the Mortgagor gains the benefit of an Insurance Policy) serve a notice, substantially in the form of Part 1 of Schedule 4 (*Form of Notice and Acknowledgement for Insurer*), on each other party to each Insurance Policy.

- 4.4.2 The Mortgagor shall use all reasonable endeavours to procure that each such party acknowledges that notice by signing and returning to the Mortgagee a letter of undertaking substantially in the form of Part 2 of Schedule 4 (*Form of Acknowledgement from Insurer*) within 7 days of the date of this Deed or, if later, the date of entry into the relevant Insurance Policy. Any instructions contained in any notice sent by the Mortgagor pursuant to this Clause may not be revoked or amended without the Mortgagee's prior written consent.

5 LIABILITY OF THE BORROWER

5.1 Liability not discharged

The Mortgagor's liability under this Deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

- 5.1.1 any security, guarantee, indemnity, remedy or other right held by, or available to, the Mortgagee that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- 5.1.2 the Mortgagee renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or
- 5.1.3 any other act or omission that, but for this clause 5.1, might have discharged, or otherwise prejudiced or affected, the liability of the Mortgagor.

5.2 Immediate recourse

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

6 REPRESENTATIONS AND WARRANTIES

6.1 Times for making representations and warranties

The Mortgagor makes the representations and warranties set out in this clause 6 to the Mortgagee on the date of this Deed and are deemed to be repeated on each day of the Security Period with reference to the facts and circumstances existing at the time of repetition.

6.2 Due incorporation

The Mortgagor:

6.2.1 is a duly incorporated limited liability company validly existing under the laws of England and Wales; and

6.2.2 has the power to own its assets and carry on its business as it is being conducted.

6.3 Powers

The Mortgagor has the power to enter into, deliver and perform, and has taken all necessary action to authorise its entry into, delivery and performance of this Deed and the transactions contemplated by it. No limit on its powers will be exceeded as a result of its entry into this Deed.

6.4 Non-contravention

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

6.4.1 the Mortgagor's constitutional documents;

6.4.2 any agreement or instrument binding on the Mortgagor or its assets; or

6.4.3 any law or regulation or judicial or official order applicable to it.

6.5 Authorisations

The Mortgagor has obtained all required or desirable authorisations to enable it to enter into, exercise its rights and comply with its obligations under this Deed. Any such authorisations are in full force and effect.

6.6 Binding Obligations

6.6.1 the Mortgagor's obligations under this Deed are legal, valid, binding and enforceable; and

6.6.2 this Deed creates:

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

(b) subject to registration pursuant to Part 25 of the Companies Act 2006 and, in the case of real property, registration at the Land Registry, perfected Security over the assets referred to in this Deed,

in favour of the Mortgagee having the priority and ranking expressed to be created by this Deed and ranking ahead of all (if any) Security and rights of third parties, except those preferred by law.

6.7 Litigation

No litigation, arbitration or administrative proceedings are taking place, pending or, to the Mortgagor's knowledge, threatened against it or any of its assets.

6.8 Registration

Subject to registration pursuant to Part 25 of the Companies Act 2006 and, in the case of real property, registration at the Land Registry and payment of registration fees to Companies House and the Land Registry, it is not necessary to file, record or enrol this Deed with any court or other authority or pay any stamp, registration or similar tax in relation to this Deed.

6.9 Ownership of Charged Property

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

6.10 No Security

The Charged Property is free from any Security other than the Security created by this Deed.

6.11 No adverse claims

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

6.12 No adverse covenants

There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatever which have arisen since the date of this Deed and which materially and adversely affect the Charged Property.

6.13 No breach of laws

There is no breach of any law or regulation that materially and adversely affects the Charged Property.

6.14 No interference in enjoyment

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

6.15 No overriding interests

Since the date of this Deed nothing has arisen or has been created that would be an overriding interest in the Property.

6.16 No prohibitions or breaches

There is no prohibition on the Mortgagor assigning its rights in any of the Charged Property referred to in clause 3.2 and the entry into of this Deed by the Mortgagor does not and will not constitute a breach of any policy, agreement, document, instrument or obligation binding on the Mortgagor or its assets.

6.17 Environmental compliance

The Mortgagor has, at all times, complied in all respects with all applicable Environmental Law and Environmental Licences.

6.18 Avoidance of security

No Security expressed to be created under this Deed is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Mortgagor or otherwise.

6.19 Enforceable security

This deed constitutes and will constitute the legal, valid, binding and enforceable obligations of the Mortgagor and is and will continue to be effective security over all and every part of the Charged Property in accordance with its terms.

7 GENERAL COVENANTS

7.1 Negative pledge and disposal restrictions

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

7.1.1 create, purport to create or permit to subsist any Security on, or in relation to, any Charged Property other than any Security created by this Deed;

7.1.2 sell, assign, transfer, part with possession of or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, the Charged Property; or

7.1.3 create or grant (or purport to create or grant) any interest in the Charged Property in favour of a third party.

7.2 Preservation of Charged Property

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

7.3 Compliance with laws and regulations

7.3.1 The Mortgagor shall not, without the Mortgagee's prior written consent, use or permit the Charged Property to be used in any way contrary to law.

7.3.2 The Mortgagor shall:

- (a) comply with the requirements of any law or regulation relating to or affecting the Charged Property or the use of it or any part of it;
- (b) obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Charged Property or its use or that are necessary to preserve, maintain or renew any Charged Property; and
- (c) promptly effect any maintenance, modifications, alterations or repairs to be effected on or in connection with the Charged Property that are required to be made by it under any law or regulation.

7.4 Enforcement of rights

The Mortgagor shall use its reasonable endeavours to:

7.4.1 procure the prompt observance and performance by the relevant counterparty to any agreement or arrangement with the Mortgagor and forming part of the Charged Property of the covenants and other obligations imposed on such counterparty; and

7.4.2 enforce any rights and institute, continue or defend any proceedings relating to any of the Charged Property that the Mortgagee may require from time to time.

7.5 Notice of misrepresentations and breaches

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

7.5.1 any representation or warranty set out in this Deed that is incorrect or misleading in any material respect when made or deemed to be repeated; and

7.5.2 any breach of any covenant set out in this Deed.

7.6 Title documents

The Mortgagor shall, on the execution of this Deed, deposit with the Mortgagee and the Mortgagee shall, for the duration of this Deed, be entitled to hold:

7.6.1 all deeds and documents of title relating to the Charged Property that are in the possession or control of the Mortgagor (and if these are not within the

possession and/or control of the Mortgagor, the Mortgagor undertakes to obtain possession of all these deeds and documents of title); and

7.6.2 each Insurance Policy.

7.7 Mortgagor's waiver of set-off

The Mortgagor waives any present or future right of set-off it may have in respect of the Secured Liabilities (including sums payable by the Mortgagor under this Deed).

8 PROPERTY COVENANTS

8.1 Repair and maintenance

8.1.1 The Mortgagor shall keep (or procure that any occupier of the Property keeps) all premises, and fixtures and fittings on the Property, in:

- (a) good and substantial repair and condition and shall keep all premises adequately and properly painted and decorated and replace any fixtures and fittings which have become worn out or otherwise unfit for use with others of a like nature and equal value; and
- (b) such repair and condition as to enable the Property to be let in accordance with all applicable laws and regulations.

8.1.2 For the purpose of clause 8.1.1(b), a law or regulation is applicable if it is either in force or it is expected to come into force and a prudent property owner in the same business as the Mortgagor would ensure that the premises, and fixtures and fittings on the Property, were in such repair and condition in anticipation of that law or regulation coming into force.

8.2 No alterations

8.2.1 The Mortgagor shall not, without the prior written consent of the Mortgagee:

- (a) pull down or remove the whole or any part of any building forming part of the Property nor permit the same to occur; or
- (b) make or permit to be made any material alterations to the Property or sever or remove or permit to be severed or removed any of its fixtures or fittings (except to make any necessary repairs or renew or replace the same in accordance with clause 8.1).

8.2.2 The Mortgagor shall promptly give notice to the Mortgagee if any of the premises or fixtures or fittings forming part of the Property are materially destroyed or damaged.

8.3 Development restrictions

The Mortgagor shall not, without the prior written consent of the Mortgagee (such consent not to be unreasonably withheld):

- 8.3.1 make or, in so far as it is able, permit others to make any application for planning permission or development consent in respect of the Property; or
- 8.3.2 carry out or permit or suffer to be carried out on the Property any development (as defined in each of the Town and Country Planning Act 1990 and the Planning Act 2008) or change or permit or suffer to be changed the use of the Property, save for any change in use of the Property to Class C2 of the Schedule to the Town and Country Planning (Use Classes) Order 1987 as that Order exists at the date of this Deed.

8.4 Insurance

- 8.4.1 The Mortgagor shall ensure that the Charged Property is insured and kept insured in accordance with the terms of any occupational lease of the Property.
- 8.4.2 Any such insurance must be with an insurance company or underwriters and on such terms as are reasonably acceptable to the Mortgagee and must be for not less than the replacement value of the relevant Charged Property (meaning in the case of any premises on the Property, the total cost of entirely rebuilding, reinstating or replacing the premises in the event of their being destroyed, together with architects', surveyors', engineers' and other professional fees and charges for demolition and reinstatement) and loss of rents payable by the tenants or other occupiers of the Property for a period of at least three years.
- 8.4.3 The Mortgagor shall, if requested by the Mortgagee, produce to the Mortgagee each policy, certificate or cover note relating to any insurance required by clause 8.4.1.
- 8.4.4 The Mortgagor shall, if requested by the Mortgagee, and if permitted by the terms of the relevant occupational lease, procure that the Mortgagee is named as first loss payee on each Insurance Policy maintained by it or any person on its behalf in accordance with clause 8.4.1 and that the terms of each such Insurance Policy require the insurer not to cancel the policy without giving at least 30 days' prior written notice to the Mortgagee.

8.5 Insurance premiums

The Mortgagor shall:

- 8.5.1 procure that all premiums are paid promptly in respect of each Insurance Policy and procure that all other things necessary to keep that policy in full force and effect are done; and

8.5.2 (if the Mortgagee so requires) give to the Mortgagee copies of the receipts for all premiums and other payments necessary for effecting and keeping up each Insurance Policy.

8.6 No invalidation of insurance

The Mortgagor shall not do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any Insurance Policy.

8.7 Proceeds from Insurance Policies

All monies payable under any Insurance Policy at any time (whether or not the security constituted by this Deed has become enforceable) shall:

8.7.1 Subject to clause 8.7.2 below, the Mortgagor shall procure that all monies received or receivable under any Insurance Policies (other than any insurance in respect of third party liability) are applied towards replacing, restoring or reinstating the relevant asset.

8.7.2 To the extent that any Insurance Policy and any occupational lease of the Property does not restrict the proceeds of insurance under that policy being used to prepay the Secured Liabilities, all monies payable under any Insurance Policy at any time (whether or not the security constituted by this Deed has become enforceable) shall:

- (a) be paid immediately to the Mortgagee to be applied towards satisfaction of the Secured Liabilities;
- (b) if they are not paid directly to the Mortgagee by the insurers, be held, pending such payment, by the Mortgagor as trustee of the same for the benefit of the Mortgagee; and
- (c) at the option of the Mortgagee, be applied in making good or recouping expenditure in respect of the loss or damage for which those monies are received or in, or towards, discharge or reduction of the Secured Liabilities.

8.8 Leases and licences affecting the Property

The Mortgagor shall not, without the prior written consent of the Mortgagee (which consent, in the case of clause 8.8.4, is not to be unreasonably withheld or delayed in circumstances where the Mortgagor is under obligations not to unreasonably withhold or delay its consent to any such matter):

8.8.1 grant any licence or tenancy affecting the whole or any part of the Property, or exercise the statutory powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925 (or agree to grant any such licence or tenancy, or agree to exercise the statutory powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925);

- 8.8.2 in any other way dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of the Property (or agree to dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of the Property);
- 8.8.3 let any person into occupation of or share occupation of the whole or any part of the Property; or
- 8.8.4 grant any consent or licence under any lease or licence affecting the Property.

8.9 Headlease

The Mortgagor must:

- 8.9.1 exercise its rights and comply with its obligations under each Headlease;
- 8.9.2 use its reasonable endeavours to ensure that each landlord complies with its obligations under each Headlease; and
- 8.9.3 if so required by the Mortgagee, apply for relief against forfeiture of any Headlease,

in a proper and timely manner.

8.10 No restrictive obligations

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

8.11 Proprietary rights

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

8.12 Compliance with and enforcement of covenants

The Mortgagor shall:

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

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

8.13 Notices or claims relating to the Property

8.13.1 The Mortgagor shall:

- (a) give full particulars to the Mortgagee of any notice, order, direction, designation, resolution, application, requirement or proposal given or made by any public or local body or authority (a **Notice**) that specifically applies to the Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Notice; and
- (b) (if the Mortgagee so requires) immediately, and at the cost of the Mortgagor, take all reasonable and necessary steps to comply with any Notice, and make, or join with the Mortgagee in making, any objections or representations in respect of that Notice that the Mortgagee thinks fit.

- 8.13.2 The Mortgagor shall give full particulars to the Mortgagee of any claim, notice or other communication served on it in respect of any modification, suspension or revocation of any Environmental Licence or any alleged breach of any Environmental Law, in each case relating to the Property.

8.14 Payment of outgoings

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

8.15 Rent reviews

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

8.16 Environment

The Mortgagor shall in respect of the Property:

- 8.16.1 comply with all the requirements of Environmental Law; and
- 8.16.2 obtain and comply with all Environmental Licences.

8.17 Conduct of business on Property

The Mortgagor shall carry on its trade and business on those parts (if any) of the Property as are used for the purposes of trade or business in accordance with the standards of good management from time to time current in such trade or business.

8.18 Inspection

The Mortgagor shall permit the Mortgagee and any Receiver and any person appointed by either of them to enter on and inspect the Property on reasonable prior notice.

8.19 VAT option to tax

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

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

8.19.2 revoke any VAT option to tax exercised, and disclosed to the Mortgagee in writing, before the date of this Deed.

9 POWERS OF THE LENDER

9.1 Power to remedy

9.1.1 The Mortgagee shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Mortgagor of any of its obligations contained in this Deed.

9.1.2 The Mortgagor irrevocably authorises the Mortgagee and its agents to do all things that are necessary or desirable for that purpose.

9.1.3 Any monies expended by the Mortgagee in remedying a breach by the Mortgagor of its obligations contained in this Deed shall be reimbursed by the Mortgagor to the Mortgagee on a full indemnity basis.

9.1.4 In remedying any breach in accordance with this clause 9.1, the Mortgagee, its agents and their respective officers, agents and employees shall be entitled to enter onto the Property and to take any action as the Mortgagee may reasonably consider necessary or desirable including, without limitation, carrying out any repairs, other works or development.

9.2 Exercise of rights

The rights of the Mortgagee under clause 9.1 are without prejudice to any other rights of the Mortgagee under this Deed. The exercise of any rights of the Mortgagee under this Deed shall not make the Mortgagee liable to account as a mortgagee in possession.

9.3 Mortgagee has Receiver's powers

To the extent permitted by law, any right, power or discretion conferred by this Deed on a Receiver may, after the security constituted by this Deed has become enforceable, be exercised by the Mortgagee in relation to any of the Charged Property whether or not it has taken possession of any Charged Property and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

9.4 Conversion of currency

9.4.1 For the purpose of, or pending, the discharge of any of the Secured Liabilities, the Mortgagee may convert any monies received, recovered or realised by it under this Deed (including the proceeds of any previous conversion under this clause 9.4) from their existing currencies of denomination into any other currencies of denomination that the Mortgagee may think fit.

9.4.2 Any such conversion shall be effected at the then prevailing spot selling rate of exchange for such other currency against the existing currency.

9.4.3 Each reference in this clause 9.4 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

9.5 New accounts

9.5.1 If the Mortgagee receives, or is deemed to have received, notice of any subsequent Security or other interest, affecting all or part of the Charged Property, the Mortgagee may open a new account for the Mortgagor in the Mortgagee's books. Without prejudice to the Mortgagee's right to combine accounts, no money paid to the credit of the Mortgagor in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.

9.5.2 If the Mortgagee does not open a new account immediately on receipt of the notice, or deemed notice, referred to in clause 9.5.1, then, unless the Mortgagee gives express written notice to the contrary to the Mortgagor, all payments made by the Mortgagor to the Mortgagee shall be treated as having been credited to a new account of the Mortgagor and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt or deemed receipt of the relevant notice by the Mortgagee.

9.6 Mortgagee's set-off rights

If the Mortgagee has more than one account for the Mortgagor in its books, the Mortgagee may at any time after:

9.6.1 the security constituted by this Deed has become enforceable; or

9.6.2 the Mortgagee has received, or is deemed to have received, notice of any subsequent Security or other interest affecting all or any part of the Charged Property,

transfer, without prior notice, all or any part of the balance standing to the credit of any account to any other account that may be in debit. After making any such transfer, the Mortgagee shall notify the Mortgagor of that transfer.

9.7 Indulgence

The Mortgagee may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a party to this Deed (whether or not any person is jointly liable with the Mortgagor) in respect of any of the Secured Liabilities or of any other security for them without prejudice either to this Deed or to the liability of the Mortgagor for the Secured Liabilities.

10 WHEN SECURITY BECOMES ENFORCEABLE

10.1 Security becomes enforceable on Event of Default

The security constituted by this Deed shall be immediately enforceable if an Event of Default occurs.

10.2 Discretion

After the security constituted by this Deed has become enforceable, the Mortgagee may, in its absolute discretion, enforce all or any part of that security at the times, in the manner and on the terms it thinks fit, and take possession of and hold or dispose of all or any part of the Charged Property.

11 ENFORCEMENT OF SECURITY

11.1 Enforcement powers

11.1.1 The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this Deed) shall, as between the Mortgagee and a purchaser from the Mortgagee, arise on and be exercisable at any time after the execution of this Deed, but the Mortgagee shall not exercise such power of sale or other powers until the security constituted by this Deed has become enforceable under clause 10.1.

11.1.2 Section 103 of the LPA 1925 does not apply to the security constituted by this Deed.

11.2 Extension of statutory powers of leasing

The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and by any other statute are extended so as to authorise the Mortgagee and any Receiver, at any time after the security constituted by this Deed has become enforceable, whether in its own name or in that of the Mortgagor, to:

- 11.2.1 grant a lease or agreement for lease;
- 11.2.2 accept surrenders of leases; or
- 11.2.3 grant any option in respect of the whole or any part of the Property with whatever rights relating to other parts of it,

whether or not at a premium and containing such covenants on the part of the Mortgagor and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Mortgagee or Receiver thinks fit, without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

11.3 Prior Security

11.3.1 At any time after the security constituted by this Deed has become enforceable, or after any powers conferred by any Security having priority to this Deed shall have become exercisable, the Mortgagee may:

- (a) redeem that or any other prior Security;
- (b) procure the transfer of that Security to itself; and
- (c) settle any account of the holder of any prior Security.

11.3.2 The settlement of any such account shall be, in the absence of any manifest error, conclusive and binding on the Mortgagor. All monies paid by the Mortgagee to an encumbrancer in settlement of such an account shall be, as from its payment by the Mortgagee, due from the Mortgagor to the Mortgagee on current account and shall bear interest at the default rate of interest specified in the Contract and be secured as part of the Secured Liabilities.

11.4 Protection of third parties

No purchaser, mortgagee or other person dealing with the Mortgagee, any Receiver or Delegate shall be concerned to enquire:

- 11.4.1 whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;
- 11.4.2 whether any power the Mortgagee, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable; or
- 11.4.3 how any money paid to the Mortgagee, any Receiver or any Delegate is to be applied.

11.5 Privileges

Each Receiver and the Mortgagee is entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 on mortgagees and receivers.

11.6 No liability as mortgagee in possession

Neither the Mortgagee, any Receiver nor any Delegate shall be liable to account as mortgagee in possession in respect of all or any of the Charged Property, nor shall any of them be liable for any loss on realisation of, or for any neglect or default of any nature in connection with, all or any of the Charged Property for which a mortgagee in possession might be liable as such.

11.7 Relinquishing possession

If the Mortgagee, any Receiver or Delegate enters into or takes possession of the Charged Property, it or he may at any time relinquish possession.

11.8 Conclusive discharge to purchasers

The receipt of the Mortgagee or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Charged Property or in making any acquisition in the exercise of their respective powers, the Mortgagee, every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he thinks fit.

12 RECEIVERS

12.1 Appointment

At any time after the security constituted by this Deed has become enforceable, or at the request of the Mortgagor, the Mortgagee may, without further notice, appoint by way of deed, or otherwise in writing, any one or more person or persons to be a Receiver of all or any part of the Charged Property.

12.2 Removal

The Mortgagee may, without further notice (subject to section 45 of the Insolvency Act 1986), from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

12.3 Remuneration

The Mortgagee may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925 and the remuneration of the Receiver shall be a debt secured by this Deed, to the extent not otherwise discharged.

12.4 Power of appointment additional to statutory powers

The power to appoint a Receiver conferred by this Deed shall be in addition to all statutory and other powers of the Mortgagee under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

12.5 Power of appointment exercisable despite prior appointments

The power to appoint a Receiver (whether conferred by this Deed or by statute) shall be, and remain, exercisable by the Mortgagee despite any prior appointment in respect of all or any part of the Charged Property.

12.6 Agent of the Mortgagor

Any Receiver appointed by the Mortgagee under this Deed shall be the agent of the Mortgagor and the Mortgagor shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver. The agency of each Receiver shall continue until the Mortgagor goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Mortgagee.

13 POWERS OF RECEIVER

13.1 Powers additional to statutory powers

13.1.1 Any Receiver appointed by the Mortgagee under this Deed shall, in addition to the powers conferred on him by statute, have the powers set out in clause 13.2 to clause 13.20.

13.1.2 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

13.1.3 Any exercise by a Receiver of any of the powers given by clause 13 may be on behalf of the Mortgagor, the directors of the Mortgagor or himself.

13.2 Repair and develop the Property

A Receiver may undertake or complete any works of repair, alteration, building or development on the Property and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same.

13.3 Grant or accept surrenders of leases

A Receiver may grant, or accept, surrenders of any leases or tenancies affecting the Property on any terms and subject to any conditions that he thinks fit.

13.4 Employ personnel and advisers

A Receiver may provide services and employ, or engage, any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that he thinks fit. A Receiver may discharge any such person or any such person appointed by the Mortgagor.

13.5 Make and revoke VAT options to tax

A Receiver may exercise or revoke any VAT option to tax that he thinks fit.

13.6 Charge for remuneration

A Receiver may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) that the Mortgagee may prescribe or agree with him.

13.7 Realise Charged Property

A Receiver may collect and get in the Charged Property or any part of it in respect of which he is appointed and make any demands and take any proceedings as may seem expedient for that purpose, and take possession of the Charged Property with like rights.

13.8 Manage or reconstruct the Mortgagor's business

A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Mortgagor carried out at the Property.

13.9 Dispose of Charged Property

A Receiver may grant options and licences over all or any part of the Charged Property, grant any other interest or right over, sell, assign or lease (or concur in granting options and licences over all or any part of the Charged Property, granting any other interest or right over, selling, assigning or leasing) all or any of the Charged Property in respect of which he is appointed for such consideration and in such manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions that he thinks fit. A Receiver may promote, or concur in promoting, a company to purchase the Charged Property to be disposed of by him.

13.10 Sever fixtures and fittings

A Receiver may sever and sell separately any fixtures or fittings from the Property without the consent of the Mortgagor.

13.11 Give valid receipts

A Receiver may give valid receipts for all monies and execute all assurances and things that may be proper or desirable for realising any of the Charged Property.

13.12 Make settlements

A Receiver may make any arrangement, settlement or compromise between the Mortgagor and any other person that he may think expedient.

13.13 Bring proceedings

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Charged Property that he thinks fit.

13.14 Insure

A Receiver may, if he thinks fit, but without prejudice to the indemnity in clause 16.2, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Mortgagor under this Deed.

13.15 Powers under LPA 1925

A Receiver may exercise all powers provided for in the LPA 1925 in the same way as if he had been duly appointed under the LPA 1925 and exercise all powers provided for an administrative receiver in Schedule 1 to the Insolvency Act 1986.

13.16 Borrow

A Receiver may, for any of the purposes authorised by this clause 13, raise money by borrowing from the Mortgagee (or from any other person) either unsecured or on the security of all or any of the Charged Property in respect of which he is appointed on any terms that he thinks fit (including, if the Mortgagee consents, terms under which that Security ranks in priority to this Deed).

13.17 Redeem prior Security

A Receiver may redeem any prior Security and settle the accounts to which the Security relates. Any accounts so settled shall be, in the absence of any manifest error, conclusive and binding on the Mortgagor, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

13.18 Delegation

A Receiver may delegate his powers in accordance with this Deed.

13.19 Absolute beneficial owner

A Receiver may, in relation to any of the Charged Property, exercise all powers, authorisations and rights he would be capable of exercising, and do all those acts and things, as an absolute beneficial owner could exercise or do in the ownership and management of the Charged Property or any part of the Charged Property.

13.20 Incidental powers

A Receiver may do any other acts and things:

- 13.20.1 that he may consider desirable or necessary for realising any of the Charged Property;

13.20.2 that he may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this Deed or law; or

13.20.3 that he lawfully may or can do as agent for the Mortgagor.

14 DELEGATION

14.1 Delegation

The Mortgagee or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this Deed (including the power of attorney granted under clause 18.1).

14.2 Terms

The Mortgagee and each Receiver may make a delegation on the terms and conditions (including the power to sub-delegate) that it thinks fit.

14.3 Liability

Neither the Mortgagee nor any Receiver shall be in any way liable or responsible to the Mortgagor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

15 APPLICATION OF PROCEEDS

15.1 Order of application of proceeds

All monies received by the Mortgagee, a Receiver or a Delegate under this Deed after the security constituted by this Deed has become enforceable (other than sums received under any Insurance Policy), shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in the following order of priority:

15.1.1 in or towards payment of or provision for all costs, charges and expenses incurred by or on behalf of the Mortgagee (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this Deed and of all remuneration due to any Receiver under or in connection with this Deed;

15.1.2 in or towards payment of or provision for the Secured Liabilities in any order and manner that the Mortgagee determines; and

15.1.3 in payment of the surplus (if any) to the Mortgagor or other person entitled to it.

15.2 Appropriation

Neither the Mortgagee, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 1925, which is varied accordingly, or otherwise) to

pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

15.3 Suspense account

All monies received by the Mortgagee, a Receiver or a Delegate under this Deed (other than sums received under any Insurance Policy that are not going to be applied in or towards discharge of the Secured Liabilities):

- 15.3.1 may, at the discretion of the Mortgagee, Receiver or Delegate, be credited to any suspense or securities realised account;
- 15.3.2 shall bear interest, if any, at the rate agreed in writing between the Mortgagee and the Mortgagor; and
- 15.3.3 may be held in that account for so long as the Mortgagee, Receiver or Delegate thinks fit.

16 COSTS AND INDEMNITY

16.1 Costs

The Mortgagor shall, promptly on demand, pay to, or reimburse, the Mortgagee and any Receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Mortgagee, any Receiver or any Delegate in connection with:

- 16.1.1 this Deed or the Charged Property;
- 16.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Mortgagee's, a Receiver's or a Delegate's rights under this Deed; or
- 16.1.3 taking proceedings for, or recovering, any of the Secured Liabilities.

16.2 Indemnity

- 16.2.1 The Mortgagor shall indemnify the Mortgagee, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:
 - (a) the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this Deed or by law in respect of the Charged Property;

- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this Deed; or
- (c) any default or delay by the Mortgagor in performing any of its obligations under this Deed.

16.2.2 Any past or present employee or agent may enforce the terms of this clause 16.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

17 FURTHER ASSURANCE

The Mortgagor shall, at its own expense, take whatever action the Mortgagee or any Receiver may reasonably require for:

- 17.1 creating, perfecting or protecting the security intended to be created by this Deed;
- 17.2 facilitating the realisation of any of the Charged Property; or
- 17.3 facilitating the exercise of any right, power, authority or discretion exercisable by the Mortgagee or any Receiver in respect of any of the Charged Property,

including, without limitation (if the Mortgagee or Receiver thinks it expedient) the execution of any transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Charged Property (whether to the Mortgagee or to its nominee) and the giving of any notice, order or direction and the making of any registration.

18 POWER OF ATTORNEY

18.1 Appointment of attorneys

By way of security, the Mortgagor irrevocably appoints the Mortgagee, every Receiver and every Delegate separately to be the attorney of the Mortgagor and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things that:

- 18.1.1 the Mortgagor is required to execute and do under this Deed; or
- 18.1.2 any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this Deed or by law on the Mortgagee, any Receiver or any Delegate.

18.2 Ratification of acts of attorneys

The Mortgagor ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in clause 18.1.

19 RELEASE

Subject to clause 26.3, on the expiry of the Security Period (but not otherwise), the Mortgagee shall, at the request and cost of the Mortgagor, take whatever action is necessary to:

19.1 release the Charged Property from the security constituted by this Deed; and

19.2 reassign the Charged Property to the Mortgagor.

20 ASSIGNMENT AND TRANSFER

20.1 Assignment by Mortgagee

20.1.1 At any time, without the consent of the Mortgagor, the Mortgagee may assign or transfer any or all of its rights and obligations under this Deed.

20.1.2 The Mortgagee may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Mortgagor, the Charged Property and this Deed that the Mortgagee considers appropriate.

20.2 Assignment by Mortgagor

The Mortgagor may not assign any of its rights, or transfer any of its rights or obligations, under this Deed.

21 SET-OFF

21.1 Mortgagee's right of set-off

The Mortgagee may at any time set off any liability of the Mortgagor to the Mortgagee against any liability of the Mortgagee to the Mortgagor, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this Deed. If the liabilities to be set off are expressed in different currencies, the Mortgagee may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Mortgagee of its rights under this clause 21.1 shall not limit or affect any other rights or remedies available to it under this Deed or otherwise.

21.2 No obligation to set off

The Mortgagee is not obliged to exercise its rights under clause 21.1. If, however, it does exercise those rights it must promptly notify the Mortgagor of the set-off that has been made.

22 AMENDMENTS, WAIVERS AND CONSENTS

22.1 Amendments

No amendment of this Deed shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

22.2 Waivers and consents

22.2.1 A waiver of any right or remedy under this Deed or by law, or any consent given under this Deed, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.

22.2.2 A failure to exercise or a delay in exercising any right or remedy provided under this Deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this Deed. No single or partial exercise of any right or remedy provided under this Deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this Deed by the Mortgagee shall be effective unless it is in writing.

22.3 Rights and remedies

The rights and remedies provided under this Deed are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

23 SEVERANCE

If any provision (or part of a provision) of this Deed is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this Deed.

24 COUNTERPARTS

24.1 This deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.

24.2 No counterpart shall be effective until each party has executed and delivered at least one counterpart.

25 THIRD PARTY RIGHTS

25.1 Except as expressly provided elsewhere in this Deed, a person who is not a party to this Deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this Deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

25.2 The rights of the parties to rescind or agree any amendment or waiver under this Deed are not subject to the consent of any other person.

26 FURTHER PROVISIONS

26.1 Independent security

The security constituted by this Deed shall be in addition to, and independent of, any other security or guarantee that the Mortgagee may hold for any of the Secured Liabilities at any time. No prior security held by the Mortgagee over the whole or any part of the Charged Property shall merge in the security created by this Deed.

26.2 Continuing security

The security constituted by this Deed shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Mortgagee discharges this Deed in writing.

26.3 Discharge conditional

Any release, discharge or settlement between the Mortgagor and the Mortgagee shall be deemed conditional on no payment or security received by the Mortgagee in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded under any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:

26.3.1 the Mortgagee or its nominee may retain this Deed and the security created by or under it, including all certificates and documents relating to the whole or any part of the Charged Property, for any period that the Mortgagee deems necessary to provide the Mortgagee with security against any such avoidance, reduction or order for refund; and

26.3.2 the Mortgagee may recover the value or amount of such security or payment from the Mortgagor subsequently as if the release, discharge or settlement had not occurred.

26.4 Certificates

A certificate or determination by the Mortgagee as to any amount for the time being due to it from the Mortgagor under this Deed shall be, in the absence of any manifest error, conclusive evidence of the amount due.

26.5 Consolidation

The restriction on the right of consolidation contained in section 93 of the LPA 1925 shall not apply to this Deed.

27 NOTICES

27.1 Delivery

Any notice or other communication given to a party under or in connection with this Deed shall be:

- 27.1.1 in writing;
- 27.1.2 delivered by hand, by pre-paid first-class post or other next working day delivery service or sent by fax; and

27.1.3 sent to:

- (a) the Mortgagor at:

Tednambury Farm, Tednambury Sawbridgeworth, Herts CM23 4BD

Attention: Baron Bloom

- (b) the Mortgagee at:

Valhalla House, 30 Ashby Road, Towcester, Northamptonshire
NN12 6PG

Attention: Peter Nichols

or to any other address or fax number as is notified in writing by one party to the other from time to time.

27.2 Receipt by Mortgagor

Any notice or other communication that the Mortgagee gives to the Mortgagor shall be deemed to have been received:

- 27.2.1 if delivered by hand, at the time it is left at the relevant address;
- 27.2.2 if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting; and
- 27.2.3 if sent by fax, when received in legible form.

A notice or other communication given as described in clause 27.2.1 or clause 27.2.3 on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

27.3 Receipt by Mortgagee

Any notice or other communication given to the Mortgagee shall be deemed to have been received only on actual receipt.

27.4 Service of proceedings

This clause 27 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

28 GOVERNING LAW AND JURISDICTION

28.1 Governing law

This deed and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

28.2 Jurisdiction

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

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

SCHEDULE 1
- PROPERTY

The leasehold property at Plots 2a and 2b, Traynor Way, Peterlee as demised by the Headlease and registered at the Land Registry with title absolute under title number DU336706.

SCHEDULE 2
- Events Of Default

- 1 The Mortgagor fails to pay in the currency, at the time or in the manner set out in the Contract, the Secured Liabilities;
- 2 the Mortgagor commits any breach of or defaults in the due and punctual performance or observance of any of the terms, obligations or covenants set out in this Deed or such other Document to which it is a party unless such failure to comply is capable of remedy and is remedied within ten (10) Business Days of the Mortgagee giving notice to the Mortgagor or the Mortgagor as the case may be becoming aware of the failure to comply; or
- 3 the Mortgagor is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness; or
- 4 the value of the assets of the Mortgagor is less than its liabilities (taking into account contingent and prospective liabilities and taking account of when such liabilities fall due); or
- 5 a moratorium is declared in respect of any indebtedness of the Mortgagor; or
- 6 any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - 6.1 the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any member of the Mortgagor's corporate group;
 - 6.2 a composition, compromise, assignment or arrangement with any creditor of any member of the Mortgagee's corporate group;
 - 6.3 the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any member of the Group or any of its assets; or
 - 6.4 enforcement of any security over any assets of any member of the Group, or any analogous procedure or step is taken in any jurisdiction; or
- 7 any expropriation, attachment, sequestration, distress or execution affects any asset of the Mortgagor and is not discharged within twenty (20) Business Days.

SCHEDULE 3
- FORM OF NOTICE AND ACKNOWLEDGMENT FOR TENANT

Part 1

Form of Notice to Tenant

[On the Letterhead of the Mortgagor]

To: [The Tenant]
[Address of Unit]
Copy to: []
(as Mortgagee)
Date: []

Dear Sirs

Mortgage dated [] (the "Mortgage") between, amongst others, [] (the "Mortgagor") and [] (the "Mortgagee") and an assignment of rental income ("Assignment of Rental Income") dated [] between the Mortgagor and the Mortgagee

This letter constitutes notice to you that pursuant to the Mortgage and the Assignment of Rental Income we have assigned to the Mortgagee in part absolutely and in part by way of security all our present and future rights in the Rental Income under or in connection with the lease between you and us *[insert details of lease]* (the "Lease").

We irrevocably authorise and instruct you to:

- 1 disclose to the Mortgagee without any reference to or further authority from us (and without any enquiry by you as to the justification for such disclosure), such information relating to the Lease as the Mortgagee may at any time request;
- 2 deal only with us in relation to the Lease unless you receive written instructions from the Mortgagee to the contrary;
- 3 continue to pay all sums from time to time due and payable by you under the Lease to the Mortgagee's account detailed below (or such other account as the Mortgagee shall notify you from time to time) until such time as you receive notice from the Mortgagee instructing you otherwise (the "Instruction Notice") following which you shall comply with all instructions contained in such Instruction Notice or in any subsequent notice or instructions relating to the Lease or the debts represented by such Lease which you receive from the Mortgagee without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction; and

- 4 send copies of all notices and communications relating to the Lease to the Mortgagee as well as to us.

The Mortgagee's account to which rent is to be paid is:

Bank: Barclays
Account name: TaxspecialEFX (Peterlee) LLP
Sort Code: 20-57-44
Account number: 23104397

We further instruct you that upon receipt of notice from the Mortgagee that an Event of Default has occurred and is continuing:

- 1 all remedies provided for in the Lease or available at law or in equity are exercisable by the Mortgagee (provided that the Mortgagee shall have no greater rights under this notice than we have under the Lease);
- 2 all rights to compel performance of the Lease are exercisable by the Mortgagee although the Mortgagor shall remain liable to perform all of the obligations assumed by it under the Lease; and
- 3 all rights, interests and benefits whatsoever accruing to or for the benefit of us arising from the Lease belong to the Mortgagee to the exclusion of the Mortgagor.

Please note that we are and will remain liable to perform all the obligations assumed by us under the Lease and that neither the Mortgagee, any Receiver nor any of their agents will at any time have any liability to you under the Lease.

We are not permitted to agree any amendment or supplement to, or to waive any term of the Lease, or to terminate the Lease or to allow it to lapse other than where the Lease expires in accordance with its terms and not by reason of default without the prior written consent of the Mortgagee.

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

This notice is governed by English law.

Please confirm your agreement to the above by sending the attached acknowledgement to **[identify Mortgagee officer]** at **[insert address details of Mortgagee]** with a copy to us at the above address.

Yours faithfully

For and on behalf of **[insert details of the Mortgagor]**

Part 1

Form of Acknowledgement from Tenant

[On the letterhead of the Tenant]

To: [Assignor]

Copy to: []
(as Mortgagee)

Date: []

Dear Sirs

Mortgage dated [] (the "Mortgage") between, amongst others, [] (the "Mortgagor") and [] (the "Mortgagee") and an assignment of rental income ("Assignment of Rental Income") dated [] between the Mortgagor and the Mortgagee

We confirm receipt from the Mortgagor of a notice dated (the "Notice") of an assignment, pursuant to the terms of the Mortgage and the Assignment of Rental Income, of all the Mortgagor's present and future rights in the Rental Income under or in connection with the lease between you and us under *[insert details of lease]* (the "Lease").

We confirm that:

- 1 we accept the instructions and authorisations contained in the Notice and we undertake to act in accordance with and comply with the terms of the Notice;
- 2 we have not received notice of the creation of any other assignment of or security over rights or proceeds arising under the Lease in favour of any third party or the creation of any other third party interest in those rights or proceeds and we will notify you promptly should we receive any such notice;
- 3 we have not claimed or exercised nor do we have any outstanding right to claim or exercise against the Mortgagor any right of set-off, counter claim or other right relating to the Lease;
- 4 we agree that no term of the Lease may be amended, supplemented or waived without your prior written consent; and
- 5 we agree that the Lease may not be terminated without your prior written consent.

This letter is governed by English law.

Yours faithfully

For and on behalf of ***[Name of Tenant]***

SCHEDULE 4
- FORM OF NOTICE AND ACKNOWLEDGMENT FOR INSURER

Part 1

Form of Notice to Insurer

[On the letterhead of the Mortgagor]

To: [insert name and address of Insurer]

Copy to: [Mortgagee details]

Date: []

Dear Sirs

Mortgage dated [] between, amongst others, [] (the "Mortgagor") and [] (the "Mortgagee") (the "Mortgage")

This letter constitutes notice to you that, pursuant to the Mortgage, we have assigned to the Mortgagee by way of security all amounts payable to us under or in connection with the following policies **[Insert description of Insurances]** (the "Policies").

We irrevocably authorise and instruct you to:

- 1 disclose to the Mortgagee without any reference to or further authority from us (and without any enquiry by you as to the justification for such disclosure), such information relating to the Policies as the Mortgagee may at any time request;
- 2 pay any sums from time to time due and payable by you under the Policies to the Mortgagee in accordance with any written instructions given to you by the Mortgagee from time to time;
- 3 comply with the terms of any notice or instructions relating to the Policies which you receive from the Mortgagee (without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction); and
- 4 send copies of all notices issued under the Policies to the Mortgagee as well as to us.

Please note that we are and will remain liable to perform all the obligations assumed by us under the Policies and that neither the Mortgagee, nor any Receiver nor any of their agents nor any other person will have any liability to you under the Policies.

We are not permitted to agree any amendment or supplement to or to waive any term of the Policies or to terminate any Policy without the prior written consent of the Mortgagee.

The instructions in this notice cannot be revoked or amended without the prior written consent of the Mortgagee.

Please confirm your agreement to the above by sending the attached acknowledgement to the Mortgagee at [address] with a copy to us at the above address.

This notice is shall be governed by and construed in accordance with English law.

Yours faithfully

.....
For and on behalf of ***[insert details of the chargor]***

Part 2

Form of Acknowledgement from Insurer

[On the letterhead of the Insurer]

To: [Mortgagee]

[Address]

Copy: [Mortgagor]

Date: []

Dear Sirs

Mortgage dated [] between, amongst others, [] (the "Mortgagor") and [] (the "Mortgagee") (the "Mortgage")

We acknowledge receipt from the Mortgagor of a notice dated [] (the "Notice") of an assignment, pursuant to the terms of the Mortgage, of (i) all amounts payable to the Mortgagor under or in connection with the Policies (as defined in the Notice); and (ii) all the Mortgagor's rights in connection with those amounts.

We confirm that:

- 1 we accept the instructions and authorisations contained in the Notice and undertake to act in accordance with and comply with the terms of the Notice;
- 2 we will not terminate or otherwise allow any of the Policies to lapse without giving you at least 30 days' prior written notice;
- 3 we have not received notice of the creation of any other assignment of or any security over rights or proceeds arising under the Policies in favour of any third party or the creation of any other third party interest in those rights or proceeds;
- 4 we will notify you, the Mortgagee, at least 30 days before the Policy is due to expire, if we have not received the Mortgagor's renewal instructions in relation to such Policy;
- 5 we agree that no term of the Policies may be amended, supplemented or waived without your prior written consent;
- 6 we agree to notify you if the Mortgagor breaches the terms of any Policy or otherwise gives us grounds to declare any Policy void or voidable and, where the breach is capable of being remedied, to allow you or your agents to remedy the relevant breach; and

7 we have not claimed or exercised, and have no outstanding right to claim or exercise, any right of set-off or counterclaim, or other right, in relation to any sum paid or payable under the Policy.

All terms used in this letter have the same meaning as in the Notice.

This acknowledgment is governed by and construed in accordance with English law.

Yours faithfully

.....
For and on behalf of
[Name of insurance company]

SIGNATURE PAGE

MORTGAGOR

EXECUTED as a DEED by)
ETAIREIA INVESTMENTS PLC)
acting by)
_____ a)

Director, in the presence of:

Signature of Director

Signature of Witness:

Name:

Address:

Occupation:

SIGNATURE PAGE

MORTGAGEE

EXECUTED as a DEED by)
TAXSPECIALEFX (PETERLEE))
LLP acting by)
John Fields a)
Designated Member in the presence
of:



Signature of Designated Member

Signature of Witness:



Name:

DAVID THOMSON

Address:



Occupation:

Solicitor

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

Signed: Charles Russell Speechlys LLP

Dated: 15 November 2017

7th Nov 2017

DATED

2017

CRS
Charles Russell
Speechlys

- (1) ETAIREIA INVESTMENTS PLC
- (2) TAXSPECIALEFX (PETERLEE) LLP

LEGAL MORTGAGE OVER PROPERTY –
PLOTS 2A AND 2B, TRAYNOR WAY, PETERLEE

CONTENTS

1	DEFINITIONS AND INTERPRETATION	1
2	COVENANT TO PAY	6
3	GRANT OF SECURITY	6
4	PERFECTION OF SECURITY	7
5	LIABILITY OF THE BORROWER	8
6	REPRESENTATIONS AND WARRANTIES	9
7	GENERAL COVENANTS	11
8	PROPERTY COVENANTS	13
9	POWERS OF THE LENDER	18
10	WHEN SECURITY BECOMES ENFORCEABLE	20
11	ENFORCEMENT OF SECURITY	20
12	RECEIVERS	22
13	POWERS OF RECEIVER	23
14	DELEGATION	26
15	APPLICATION OF PROCEEDS	26
16	COSTS AND INDEMNITY	27
17	FURTHER ASSURANCE	28
18	POWER OF ATTORNEY	28
19	RELEASE	29
20	ASSIGNMENT AND TRANSFER	29
21	SET-OFF	29
22	AMENDMENTS, WAIVERS AND CONSENTS	29
23	SEVERANCE	30
24	COUNTERPARTS	30
25	THIRD PARTY RIGHTS	30
26	FURTHER PROVISIONS	31
27	NOTICES	32
28	GOVERNING LAW AND JURISDICTION	33
	SCHEDULE 1 - PROPERTY	34
	SCHEDULE 2 - EVENTS OF DEFAULT	35
	SCHEDULE 3 - FORM OF NOTICE AND ACKNOWLEDGMENT FOR TENANT	36
	SCHEDULE 4 - FORM OF NOTICE AND ACKNOWLEDGMENT FOR INSURER	40

THIS DEED is dated

7th November

2017

BETWEEN:

- (1) **ETAIREIA INVESTMENTS PLC** a company registered in England (registered number 06138814) whose registered office is at 2nd Floor Cambridge House, Cambridge Road, Harlow, Essex, CM20 2EQ ("**Mortgagor**"); and
- (2) **TAXSPECIALEFX (PETERLEE) LLP** a limited liability partnership registered in England (registered number OC305181) whose registered office is at Valhalla, 30 Ashby Road, Towcester, Northamptonshire, NN12 6PG ("**Mortgagee**").

BACKGROUND:

- (A) The Mortgagor owns the Property (defined below).
- (B) This deed provides security which the Mortgagor has agreed to give the Mortgagee for the Deferred Payment (defined below).

AGREED TERMS:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

Terms defined in the Contract shall, unless otherwise defined in this Deed, have the same meaning in this Deed. In addition, the following definitions apply in this Deed:

Business Day	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;
Charged Property	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);
Contract	the contract for the sale and purchase of the Property dated today's date 7 th November 2017 between the Mortgagor (as buyer) and the Mortgagee (as seller);
Deed of Assignment of Rental Income	the deed of assignment of rental income dated on or about the date of this deed between the Mortgagor (as assignor) and the Mortgagee (as assignee);
Deferred Payment	the sum of £525,000 (five hundred and twenty five thousand pounds only) less the net sum of any rental income paid to the Seller under the

	Deed of Assignment of Rental Income.
Delegate	any person appointed by the Mortgagee or any Receiver under clause 14 and any person appointed as attorney of the Mortgagee, Receiver or Delegate;
Document	<p>(a) the Contract;</p> <p>(b) this Deed; and</p> <p>(c) the Deed of Assignment of Rental Income</p>
Environment	the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media;
Environmental Law	all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment;
Environmental Licence	any authorisation, permit or licence necessary under Environmental Law in respect of any of the Charged Property;
Event of Default	any of the events set out in Schedule 2;
Insurance Policy	each contract or policy of insurance effected or maintained or procured by the Mortgagor from time to time in respect of the Property, or any such policy of insurance in which the Mortgagor has an interest;
Headlease	the lease of the Property dated 6 February 2013 and made between Chancery Nominee Services No. 1 Limited and Chancery Nominee Services No. 2 Limited as nominee of and trustee for the members of the Whitehouse Point Development Syndicate (1) and the Mortgagee (2) and the documents varying or supplemental or collateral

to it listed in schedule 2 to the Contract;

Lease

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

LPA 1925

the Law of Property Act 1925;

Property

the freehold or leasehold property (whether registered or unregistered) owned by the Mortgagor described in Schedule 1;

Receiver

a receiver or a receiver and manager of any or all of the Charged Property;

Rental Income

all amounts paid or payable to or for the account of the Mortgagor in connection with the letting, licence or grant of other rights of use or occupation of all or any part of the Property;

Secured Liabilities

means the Deferred Payment and all and any other sums due from the Mortgagor to the Mortgagee under the Contract, and any recoveries arising under clause 26.3.2;

Security

any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect;

Security Period

the period starting on the date of this Deed and ending on the date on which the Mortgagee is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding;

VAT

value added tax.

1.2 Interpretation

In this Deed:

- 1.2.1 clause, Schedule and paragraph headings shall not affect the interpretation of this Deed;

- 1.2.2 a reference to a person shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality);
- 1.2.3 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- 1.2.4 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- 1.2.5 a reference to a party shall include that party's successors, permitted assigns and permitted transferees and this Deed shall be binding on, and enure to the benefit of, the parties to this Deed and their respective personal representatives, successors, permitted assigns and permitted transferees;
- 1.2.6 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- 1.2.7 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- 1.2.8 a reference to writing or written includes fax but not email;
- 1.2.9 an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- 1.2.10 a reference to this Deed (or any provision of it) or to any other agreement or document referred to in this Deed is a reference to this Deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this Deed) from time to time;
- 1.2.11 unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this Deed and a reference to a paragraph is to a paragraph of the relevant Schedule;
- 1.2.12 any words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- 1.2.13 a reference to an amendment includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly);
- 1.2.14 a reference to assets includes present and future properties, undertakings, revenues, rights and benefits of every description;
- 1.2.15 a reference to an authorisation includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;

- 1.2.16 a reference to continuing in relation to an Event of Default means an Event of Default that has not been waived;
- 1.2.17 a reference to determines or determined means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it;
- 1.2.18 a reference to a regulation includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation; and
- 1.2.19 for the avoidance of doubt, the terms of the Contract incorporated by reference into this Deed shall continue to apply to this Deed notwithstanding any repayment of the Secured Liabilities to the Mortgagee under the Contract or the Contract Agreement not being legal, valid, binding and enforceable.

1.3 Clawback

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

1.4 Nature of security over real property

A reference in this Deed to a charge or mortgage of or over the Property includes:

- 1.4.1 all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) and fixed plant and machinery that are situated on or form part of the Property at any time;
- 1.4.2 the proceeds of the sale of any part of the Property and any other monies paid or payable in respect of or in connection with the Property;
- 1.4.3 the benefit of any covenants for title given, or entered into, by any predecessor in title of the Mortgagor in respect of the Property and any monies paid or payable in respect of those covenants; and
- 1.4.4 all rights under any licence, agreement for sale or agreement for lease in respect of the Property.

1.5 Law of Property (Miscellaneous Provisions) Act 1989

For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Contract and of any side letters between any parties in relation to the Contract are incorporated into this Deed.

1.6 Perpetuity period

If the rule against perpetuities applies to any trust created by this Deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

1.7 Schedules

The Schedules form part of this Deed and shall have effect as if set out in full in the body of this Deed. Any reference to this Deed includes the Schedules.

2 COVENANT TO PAY

The Mortgagor shall, on demand, pay to the Mortgagee and discharge the Secured Liabilities as they become due.

3 GRANT OF SECURITY

3.1 Legal mortgage and fixed charges

As a continuing security for the payment and discharge of the Secured Liabilities, the Mortgagor with full title guarantee charges to the Mortgagee:

3.1.1 by way of first legal mortgage, the Property; and

3.1.2 by way of first fixed charge:

- (a) all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy, the Rental Income and the benefit of any guarantee or security in respect of the Rental Income to the extent not effectively assigned under clause 3.2;
- (b) the benefit of all other contracts, guarantees, appointments and warranties relating to the Charged Property and other documents to which the Mortgagor is a party or which are in its favour or of which it has the benefit relating to any letting, development, sale, purchase, use or the operation of the Charged Property or otherwise relating to the Charged Property (including, in each case, but without limitation, the right to demand and receive all monies whatever payable to or for its benefit under or arising from any of them, all remedies provided for in any of them or available at law or in equity in relation to any of them, the right to compel performance of any of them and all other rights, interests and benefits whatever accruing to or for its benefit arising from any of them); and
- (c) all authorisations (statutory or otherwise) held or required in connection with the Mortgagor's business carried on at the Property or the use of any Charged Property, and all rights in connection with them.

3.2 Assignment

As a continuing security for the payment and discharge of the Secured Liabilities, the Mortgagor with full title guarantee assigns to the Mortgagee absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities:

3.2.1 all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy; and

3.2.2 the Rental Income and the benefit of any guarantee or security in respect of the Rental Income,

provided that (i) nothing in this clause 3.2 shall constitute the Mortgagee as mortgagee in possession and (ii) the assignment of Rental Income hereunder is without prejudice to and does not derogate from the Deed of Assignment of Rental Income.

4 PERFECTION OF SECURITY

4.1 Registration of legal mortgage at the Land Registry

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

"No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [●] 2017 in favour of Taxspecialefx (Peterlee) LLP referred to in the charges register or their conveyancer."

4.2 Cautions against first registration and notices

Whether or not title to the Property is registered at the Land Registry, if any caution against first registration or any notice (whether agreed or unilateral) is registered against the Mortgagor's title to the Property, the Mortgagor shall immediately provide the Mortgagee with full particulars of the circumstances relating to such caution or notice. If such caution or notice was registered to protect a purported interest the creation of which is not permitted under this Deed, the Mortgagor shall immediately, and at its own expense, take such steps as the Mortgagee may require to ensure that the caution or notice, as applicable, is withdrawn or cancelled.

4.3 Notice of assignment of Rental Income

4.3.1 The Mortgagor shall upon execution of this Deed (or, if later, the date on which the Mortgagor enters into a Lease) give notice substantially in the form of Part 1 of Schedule 3 (*Form of Notice to Tenant*) addressed to each tenant to such Lease confirming that the Mortgagor has assigned all its

right, title and interest in the Rental Income and other monies payable under that Lease.

- 4.3.2 The relevant Mortgagor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice in substantially the form specified in Part 2 of Schedule 3 (*Form of Acknowledgement from Tenant*) within 7 Business Days of that notice being given.

4.4 Notice of assignment of Insurance Policies

- 4.4.1 The Mortgagor shall immediately upon execution of this Deed (or, if later, the date on which the Mortgagor gains the benefit of an Insurance Policy) serve a notice, substantially in the form of Part 1 of Schedule 4 (*Form of Notice and Acknowledgement for Insurer*), on each other party to each Insurance Policy.

- 4.4.2 The Mortgagor shall use all reasonable endeavours to procure that each such party acknowledges that notice by signing and returning to the Mortgagee a letter of undertaking substantially in the form of Part 2 of Schedule 4 (*Form of Acknowledgement from Insurer*) within 7 days of the date of this Deed or, if later, the date of entry into the relevant Insurance Policy. Any instructions contained in any notice sent by the Mortgagor pursuant to this Clause may not be revoked or amended without the Mortgagee's prior written consent.

5 LIABILITY OF THE BORROWER

5.1 Liability not discharged

The Mortgagor's liability under this Deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

- 5.1.1 any security, guarantee, indemnity, remedy or other right held by, or available to, the Mortgagee that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- 5.1.2 the Mortgagee renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or
- 5.1.3 any other act or omission that, but for this clause 5.1, might have discharged, or otherwise prejudiced or affected, the liability of the Mortgagor.

5.2 Immediate recourse

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

6 REPRESENTATIONS AND WARRANTIES

6.1 Times for making representations and warranties

The Mortgagor makes the representations and warranties set out in this clause 6 to the Mortgagee on the date of this Deed and are deemed to be repeated on each day of the Security Period with reference to the facts and circumstances existing at the time of repetition.

6.2 Due incorporation

The Mortgagor:

6.2.1 is a duly incorporated limited liability company validly existing under the laws of England and Wales; and

6.2.2 has the power to own its assets and carry on its business as it is being conducted.

6.3 Powers

The Mortgagor has the power to enter into, deliver and perform, and has taken all necessary action to authorise its entry into, delivery and performance of this Deed and the transactions contemplated by it. No limit on its powers will be exceeded as a result of its entry into this Deed.

6.4 Non-contravention

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

6.4.1 the Mortgagor's constitutional documents;

6.4.2 any agreement or instrument binding on the Mortgagor or its assets; or

6.4.3 any law or regulation or judicial or official order applicable to it.

6.5 Authorisations

The Mortgagor has obtained all required or desirable authorisations to enable it to enter into, exercise its rights and comply with its obligations under this Deed. Any such authorisations are in full force and effect.

6.6 Binding Obligations

6.6.1 the Mortgagor's obligations under this Deed are legal, valid, binding and enforceable; and

6.6.2 this Deed creates:

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

(b) subject to registration pursuant to Part 25 of the Companies Act 2006 and, in the case of real property, registration at the Land Registry, perfected Security over the assets referred to in this Deed,

in favour of the Mortgagee having the priority and ranking expressed to be created by this Deed and ranking ahead of all (if any) Security and rights of third parties, except those preferred by law.

6.7 Litigation

No litigation, arbitration or administrative proceedings are taking place, pending or, to the Mortgagor's knowledge, threatened against it or any of its assets.

6.8 Registration

Subject to registration pursuant to Part 25 of the Companies Act 2006 and, in the case of real property, registration at the Land Registry and payment of registration fees to Companies House and the Land Registry, it is not necessary to file, record or enrol this Deed with any court or other authority or pay any stamp, registration or similar tax in relation to this Deed.

6.9 Ownership of Charged Property

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

6.10 No Security

The Charged Property is free from any Security other than the Security created by this Deed.

6.11 No adverse claims

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

6.12 No adverse covenants

There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatever which have arisen since the date of this Deed and which materially and adversely affect the Charged Property.

6.13 No breach of laws

There is no breach of any law or regulation that materially and adversely affects the Charged Property.

6.14 No interference in enjoyment

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

6.15 No overriding interests

Since the date of this Deed nothing has arisen or has been created that would be an overriding interest in the Property.

6.16 No prohibitions or breaches

There is no prohibition on the Mortgagor assigning its rights in any of the Charged Property referred to in clause 3.2 and the entry into of this Deed by the Mortgagor does not and will not constitute a breach of any policy, agreement, document, instrument or obligation binding on the Mortgagor or its assets.

6.17 Environmental compliance

The Mortgagor has, at all times, complied in all respects with all applicable Environmental Law and Environmental Licences.

6.18 Avoidance of security

No Security expressed to be created under this Deed is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Mortgagor or otherwise.

6.19 Enforceable security

This deed constitutes and will constitute the legal, valid, binding and enforceable obligations of the Mortgagor and is and will continue to be effective security over all and every part of the Charged Property in accordance with its terms.

7 GENERAL COVENANTS

7.1 Negative pledge and disposal restrictions

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

- 7.1.1 create, purport to create or permit to subsist any Security on, or in relation to, any Charged Property other than any Security created by this Deed;
- 7.1.2 sell, assign, transfer, part with possession of or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, the Charged Property; or
- 7.1.3 create or grant (or purport to create or grant) any interest in the Charged Property in favour of a third party.

7.2 Preservation of Charged Property

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

7.3 Compliance with laws and regulations

7.3.1 The Mortgagor shall not, without the Mortgagee's prior written consent, use or permit the Charged Property to be used in any way contrary to law.

7.3.2 The Mortgagor shall:

- (a) comply with the requirements of any law or regulation relating to or affecting the Charged Property or the use of it or any part of it;
- (b) obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Charged Property or its use or that are necessary to preserve, maintain or renew any Charged Property; and
- (c) promptly effect any maintenance, modifications, alterations or repairs to be effected on or in connection with the Charged Property that are required to be made by it under any law or regulation.

7.4 Enforcement of rights

The Mortgagor shall use its reasonable endeavours to:

- 7.4.1 procure the prompt observance and performance by the relevant counterparty to any agreement or arrangement with the Mortgagor and forming part of the Charged Property of the covenants and other obligations imposed on such counterparty; and
- 7.4.2 enforce any rights and institute, continue or defend any proceedings relating to any of the Charged Property that the Mortgagee may require from time to time.

7.5 Notice of misrepresentations and breaches

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

- 7.5.1 any representation or warranty set out in this Deed that is incorrect or misleading in any material respect when made or deemed to be repeated; and
- 7.5.2 any breach of any covenant set out in this Deed.

7.6 Title documents

The Mortgagor shall, on the execution of this Deed, deposit with the Mortgagee and the Mortgagee shall, for the duration of this Deed, be entitled to hold:

- 7.6.1 all deeds and documents of title relating to the Charged Property that are in the possession or control of the Mortgagor (and if these are not within the

possession and/or control of the Mortgagor, the Mortgagor undertakes to obtain possession of all these deeds and documents of title); and

7.6.2 each Insurance Policy.

7.7 Mortgagor's waiver of set-off

The Mortgagor waives any present or future right of set-off it may have in respect of the Secured Liabilities (including sums payable by the Mortgagor under this Deed).

8 PROPERTY COVENANTS

8.1 Repair and maintenance

8.1.1 The Mortgagor shall keep (or procure that any occupier of the Property keeps) all premises, and fixtures and fittings on the Property, in:

- (a) good and substantial repair and condition and shall keep all premises adequately and properly painted and decorated and replace any fixtures and fittings which have become worn out or otherwise unfit for use with others of a like nature and equal value; and
- (b) such repair and condition as to enable the Property to be let in accordance with all applicable laws and regulations.

8.1.2 For the purpose of clause 8.1.1(b), a law or regulation is applicable if it is either in force or it is expected to come into force and a prudent property owner in the same business as the Mortgagor would ensure that the premises, and fixtures and fittings on the Property, were in such repair and condition in anticipation of that law or regulation coming into force.

8.2 No alterations

8.2.1 The Mortgagor shall not, without the prior written consent of the Mortgagee:

- (a) pull down or remove the whole or any part of any building forming part of the Property nor permit the same to occur; or
- (b) make or permit to be made any material alterations to the Property or sever or remove or permit to be severed or removed any of its fixtures or fittings (except to make any necessary repairs or renew or replace the same in accordance with clause 8.1).

8.2.2 The Mortgagor shall promptly give notice to the Mortgagee if any of the premises or fixtures or fittings forming part of the Property are materially destroyed or damaged.

8.3 Development restrictions

The Mortgagor shall not, without the prior written consent of the Mortgagee (such consent not to be unreasonably withheld):

- 8.3.1 make or, in so far as it is able, permit others to make any application for planning permission or development consent in respect of the Property; or
- 8.3.2 carry out or permit or suffer to be carried out on the Property any development (as defined in each of the Town and Country Planning Act 1990 and the Planning Act 2008) or change or permit or suffer to be changed the use of the Property, save for any change in use of the Property to Class C2 of the Schedule to the Town and Country Planning (Use Classes) Order 1987 as that Order exists at the date of this Deed.

8.4 Insurance

- 8.4.1 The Mortgagor shall ensure that the Charged Property is insured and kept insured in accordance with the terms of any occupational lease of the Property.
- 8.4.2 Any such insurance must be with an insurance company or underwriters and on such terms as are reasonably acceptable to the Mortgagee and must be for not less than the replacement value of the relevant Charged Property (meaning in the case of any premises on the Property, the total cost of entirely rebuilding, reinstating or replacing the premises in the event of their being destroyed, together with architects', surveyors', engineers' and other professional fees and charges for demolition and reinstatement) and loss of rents payable by the tenants or other occupiers of the Property for a period of at least three years.
- 8.4.3 The Mortgagor shall, if requested by the Mortgagee, produce to the Mortgagee each policy, certificate or cover note relating to any insurance required by clause 8.4.1.
- 8.4.4 The Mortgagor shall, if requested by the Mortgagee, and if permitted by the terms of the relevant occupational lease, procure that the Mortgagee is named as first loss payee on each Insurance Policy maintained by it or any person on its behalf in accordance with clause 8.4.1 and that the terms of each such Insurance Policy require the insurer not to cancel the policy without giving at least 30 days' prior written notice to the Mortgagee.

8.5 Insurance premiums

The Mortgagor shall:

- 8.5.1 procure that all premiums are paid promptly in respect of each Insurance Policy and procure that all other things necessary to keep that policy in full force and effect are done; and

8.5.2 (if the Mortgagee so requires) give to the Mortgagee copies of the receipts for all premiums and other payments necessary for effecting and keeping up each Insurance Policy.

8.6 No invalidation of insurance

The Mortgagor shall not do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any Insurance Policy.

8.7 Proceeds from Insurance Policies

All monies payable under any Insurance Policy at any time (whether or not the security constituted by this Deed has become enforceable) shall:

8.7.1 Subject to clause 8.7.2 below, the Mortgagor shall procure that all monies received or receivable under any Insurance Policies (other than any insurance in respect of third party liability) are applied towards replacing, restoring or reinstating the relevant asset.

8.7.2 To the extent that any Insurance Policy and any occupational lease of the Property does not restrict the proceeds of insurance under that policy being used to prepay the Secured Liabilities, all monies payable under any Insurance Policy at any time (whether or not the security constituted by this Deed has become enforceable) shall:

- (a) be paid immediately to the Mortgagee to be applied towards satisfaction of the Secured Liabilities;
- (b) if they are not paid directly to the Mortgagee by the insurers, be held, pending such payment, by the Mortgagor as trustee of the same for the benefit of the Mortgagee; and
- (c) at the option of the Mortgagee, be applied in making good or recouping expenditure in respect of the loss or damage for which those monies are received or in, or towards, discharge or reduction of the Secured Liabilities.

8.8 Leases and licences affecting the Property

The Mortgagor shall not, without the prior written consent of the Mortgagee (which consent, in the case of clause 8.8.4, is not to be unreasonably withheld or delayed in circumstances where the Mortgagor is under obligations not to unreasonably withhold or delay its consent to any such matter):

8.8.1 grant any licence or tenancy affecting the whole or any part of the Property, or exercise the statutory powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925 (or agree to grant any such licence or tenancy, or agree to exercise the statutory powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925);

8.8.2 in any other way dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of the Property (or agree to dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of the Property);

8.8.3 let any person into occupation of or share occupation of the whole or any part of the Property; or

8.8.4 grant any consent or licence under any lease or licence affecting the Property.

8.9 Headlease

The Mortgagor must:

8.9.1 exercise its rights and comply with its obligations under each Headlease;

8.9.2 use its reasonable endeavours to ensure that each landlord complies with its obligations under each Headlease; and

8.9.3 if so required by the Mortgagee, apply for relief against forfeiture of any Headlease,

in a proper and timely manner.

8.10 No restrictive obligations

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

8.11 Proprietary rights

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

8.12 Compliance with and enforcement of covenants

The Mortgagor shall:

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

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

8.13 Notices or claims relating to the Property

8.13.1 The Mortgagor shall:

- (a) give full particulars to the Mortgagee of any notice, order, direction, designation, resolution, application, requirement or proposal given or made by any public or local body or authority (a **Notice**) that specifically applies to the Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Notice; and
- (b) (if the Mortgagee so requires) immediately, and at the cost of the Mortgagor, take all reasonable and necessary steps to comply with any Notice, and make, or join with the Mortgagee in making, any objections or representations in respect of that Notice that the Mortgagee thinks fit.

8.13.2 The Mortgagor shall give full particulars to the Mortgagee of any claim, notice or other communication served on it in respect of any modification, suspension or revocation of any Environmental Licence or any alleged breach of any Environmental Law, in each case relating to the Property.

8.14 Payment of outgoings

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

8.15 Rent reviews

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

8.16 Environment

The Mortgagor shall in respect of the Property:

- 8.16.1 comply with all the requirements of Environmental Law; and
- 8.16.2 obtain and comply with all Environmental Licences.

8.17 Conduct of business on Property

The Mortgagor shall carry on its trade and business on those parts (if any) of the Property as are used for the purposes of trade or business in accordance with the standards of good management from time to time current in such trade or business.

8.18 Inspection

The Mortgagor shall permit the Mortgagee and any Receiver and any person appointed by either of them to enter on and inspect the Property on reasonable prior notice.

8.19 VAT option to tax

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

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

8.19.2 revoke any VAT option to tax exercised, and disclosed to the Mortgagee in writing, before the date of this Deed.

9 POWERS OF THE LENDER

9.1 Power to remedy

9.1.1 The Mortgagee shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Mortgagor of any of its obligations contained in this Deed.

9.1.2 The Mortgagor irrevocably authorises the Mortgagee and its agents to do all things that are necessary or desirable for that purpose.

9.1.3 Any monies expended by the Mortgagee in remedying a breach by the Mortgagor of its obligations contained in this Deed shall be reimbursed by the Mortgagor to the Mortgagee on a full indemnity basis.

9.1.4 In remedying any breach in accordance with this clause 9.1, the Mortgagee, its agents and their respective officers, agents and employees shall be entitled to enter onto the Property and to take any action as the Mortgagee may reasonably consider necessary or desirable including, without limitation, carrying out any repairs, other works or development.

9.2 Exercise of rights

The rights of the Mortgagee under clause 9.1 are without prejudice to any other rights of the Mortgagee under this Deed. The exercise of any rights of the Mortgagee under this Deed shall not make the Mortgagee liable to account as a mortgagee in possession.

9.3 Mortgagee has Receiver's powers

To the extent permitted by law, any right, power or discretion conferred by this Deed on a Receiver may, after the security constituted by this Deed has become enforceable, be exercised by the Mortgagee in relation to any of the Charged Property whether or not it has taken possession of any Charged Property and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

9.4 Conversion of currency

9.4.1 For the purpose of, or pending, the discharge of any of the Secured Liabilities, the Mortgagee may convert any monies received, recovered or realised by it under this Deed (including the proceeds of any previous conversion under this clause 9.4) from their existing currencies of denomination into any other currencies of denomination that the Mortgagee may think fit.

9.4.2 Any such conversion shall be effected at the then prevailing spot selling rate of exchange for such other currency against the existing currency.

9.4.3 Each reference in this clause 9.4 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

9.5 New accounts

9.5.1 If the Mortgagee receives, or is deemed to have received, notice of any subsequent Security or other interest, affecting all or part of the Charged Property, the Mortgagee may open a new account for the Mortgagor in the Mortgagee's books. Without prejudice to the Mortgagee's right to combine accounts, no money paid to the credit of the Mortgagor in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.

9.5.2 If the Mortgagee does not open a new account immediately on receipt of the notice, or deemed notice, referred to in clause 9.5.1, then, unless the Mortgagee gives express written notice to the contrary to the Mortgagor, all payments made by the Mortgagor to the Mortgagee shall be treated as having been credited to a new account of the Mortgagor and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt or deemed receipt of the relevant notice by the Mortgagee.

9.6 Mortgagee's set-off rights

If the Mortgagee has more than one account for the Mortgagor in its books, the Mortgagee may at any time after:

9.6.1 the security constituted by this Deed has become enforceable; or

9.6.2 the Mortgagee has received, or is deemed to have received, notice of any subsequent Security or other interest affecting all or any part of the Charged Property,

transfer, without prior notice, all or any part of the balance standing to the credit of any account to any other account that may be in debit. After making any such transfer, the Mortgagee shall notify the Mortgagor of that transfer.

9.7 Indulgence

The Mortgagee may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a party to this Deed (whether or not any person is jointly liable with the Mortgagor) in respect of any of the Secured Liabilities or of any other security for them without prejudice either to this Deed or to the liability of the Mortgagor for the Secured Liabilities.

10 WHEN SECURITY BECOMES ENFORCEABLE

10.1 Security becomes enforceable on Event of Default

The security constituted by this Deed shall be immediately enforceable if an Event of Default occurs.

10.2 Discretion

After the security constituted by this Deed has become enforceable, the Mortgagee may, in its absolute discretion, enforce all or any part of that security at the times, in the manner and on the terms it thinks fit, and take possession of and hold or dispose of all or any part of the Charged Property.

11 ENFORCEMENT OF SECURITY

11.1 Enforcement powers

11.1.1 The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this Deed) shall, as between the Mortgagee and a purchaser from the Mortgagee, arise on and be exercisable at any time after the execution of this Deed, but the Mortgagee shall not exercise such power of sale or other powers until the security constituted by this Deed has become enforceable under clause 10.1.

11.1.2 Section 103 of the LPA 1925 does not apply to the security constituted by this Deed.

11.2 Extension of statutory powers of leasing

The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and by any other statute are extended so as to authorise the Mortgagee and any Receiver, at any time after the security constituted by this Deed has become enforceable, whether in its own name or in that of the Mortgagor, to:

- 11.2.1 grant a lease or agreement for lease;
- 11.2.2 accept surrenders of leases; or
- 11.2.3 grant any option in respect of the whole or any part of the Property with whatever rights relating to other parts of it,

whether or not at a premium and containing such covenants on the part of the Mortgagor and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Mortgagee or Receiver thinks fit, without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

11.3 Prior Security

11.3.1 At any time after the security constituted by this Deed has become enforceable, or after any powers conferred by any Security having priority to this Deed shall have become exercisable, the Mortgagee may:

- (a) redeem that or any other prior Security;
- (b) procure the transfer of that Security to itself; and
- (c) settle any account of the holder of any prior Security.

11.3.2 The settlement of any such account shall be, in the absence of any manifest error, conclusive and binding on the Mortgagor. All monies paid by the Mortgagee to an encumbrancer in settlement of such an account shall be, as from its payment by the Mortgagee, due from the Mortgagor to the Mortgagee on current account and shall bear interest at the default rate of interest specified in the Contract and be secured as part of the Secured Liabilities.

11.4 Protection of third parties

No purchaser, mortgagee or other person dealing with the Mortgagee, any Receiver or Delegate shall be concerned to enquire:

- 11.4.1 whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;
- 11.4.2 whether any power the Mortgagee, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable; or
- 11.4.3 how any money paid to the Mortgagee, any Receiver or any Delegate is to be applied.

11.5 Privileges

Each Receiver and the Mortgagee is entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 on mortgagees and receivers.

11.6 No liability as mortgagee in possession

Neither the Mortgagee, any Receiver nor any Delegate shall be liable to account as mortgagee in possession in respect of all or any of the Charged Property, nor shall any of them be liable for any loss on realisation of, or for any neglect or default of any nature in connection with, all or any of the Charged Property for which a mortgagee in possession might be liable as such.

11.7 Relinquishing possession

If the Mortgagee, any Receiver or Delegate enters into or takes possession of the Charged Property, it or he may at any time relinquish possession.

11.8 Conclusive discharge to purchasers

The receipt of the Mortgagee or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Charged Property or in making any acquisition in the exercise of their respective powers, the Mortgagee, every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he thinks fit.

12 RECEIVERS

12.1 Appointment

At any time after the security constituted by this Deed has become enforceable, or at the request of the Mortgagor, the Mortgagee may, without further notice, appoint by way of deed, or otherwise in writing, any one or more person or persons to be a Receiver of all or any part of the Charged Property.

12.2 Removal

The Mortgagee may, without further notice (subject to section 45 of the Insolvency Act 1986), from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

12.3 Remuneration

The Mortgagee may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925 and the remuneration of the Receiver shall be a debt secured by this Deed, to the extent not otherwise discharged.

12.4 Power of appointment additional to statutory powers

The power to appoint a Receiver conferred by this Deed shall be in addition to all statutory and other powers of the Mortgagee under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

12.5 Power of appointment exercisable despite prior appointments

The power to appoint a Receiver (whether conferred by this Deed or by statute) shall be, and remain, exercisable by the Mortgagee despite any prior appointment in respect of all or any part of the Charged Property.

12.6 Agent of the Mortgagor

Any Receiver appointed by the Mortgagee under this Deed shall be the agent of the Mortgagor and the Mortgagor shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver. The agency of each Receiver shall continue until the Mortgagor goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Mortgagee.

13 POWERS OF RECEIVER

13.1 Powers additional to statutory powers

13.1.1 Any Receiver appointed by the Mortgagee under this Deed shall, in addition to the powers conferred on him by statute, have the powers set out in clause 13.2 to clause 13.20.

13.1.2 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

13.1.3 Any exercise by a Receiver of any of the powers given by clause 13 may be on behalf of the Mortgagor, the directors of the Mortgagor or himself.

13.2 Repair and develop the Property

A Receiver may undertake or complete any works of repair, alteration, building or development on the Property and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same.

13.3 Grant or accept surrenders of leases

A Receiver may grant, or accept, surrenders of any leases or tenancies affecting the Property on any terms and subject to any conditions that he thinks fit.

13.4 Employ personnel and advisers

A Receiver may provide services and employ, or engage, any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that he thinks fit. A Receiver may discharge any such person or any such person appointed by the Mortgagor.

13.5 Make and revoke VAT options to tax

A Receiver may exercise or revoke any VAT option to tax that he thinks fit.

13.6 Charge for remuneration

A Receiver may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) that the Mortgagee may prescribe or agree with him.

13.7 Realise Charged Property

A Receiver may collect and get in the Charged Property or any part of it in respect of which he is appointed and make any demands and take any proceedings as may seem expedient for that purpose, and take possession of the Charged Property with like rights.

13.8 Manage or reconstruct the Mortgagor's business

A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Mortgagor carried out at the Property.

13.9 Dispose of Charged Property

A Receiver may grant options and licences over all or any part of the Charged Property, grant any other interest or right over, sell, assign or lease (or concur in granting options and licences over all or any part of the Charged Property, granting any other interest or right over, selling, assigning or leasing) all or any of the Charged Property in respect of which he is appointed for such consideration and in such manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions that he thinks fit. A Receiver may promote, or concur in promoting, a company to purchase the Charged Property to be disposed of by him.

13.10 Sever fixtures and fittings

A Receiver may sever and sell separately any fixtures or fittings from the Property without the consent of the Mortgagor.

13.11 Give valid receipts

A Receiver may give valid receipts for all monies and execute all assurances and things that may be proper or desirable for realising any of the Charged Property.

13.12 Make settlements

A Receiver may make any arrangement, settlement or compromise between the Mortgagor and any other person that he may think expedient.

13.13 Bring proceedings

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Charged Property that he thinks fit.

13.14 Insure

A Receiver may, if he thinks fit, but without prejudice to the indemnity in clause 16.2, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Mortgagor under this Deed.

13.15 Powers under LPA 1925

A Receiver may exercise all powers provided for in the LPA 1925 in the same way as if he had been duly appointed under the LPA 1925 and exercise all powers provided for an administrative receiver in Schedule 1 to the Insolvency Act 1986.

13.16 Borrow

A Receiver may, for any of the purposes authorised by this clause 13, raise money by borrowing from the Mortgagee (or from any other person) either unsecured or on the security of all or any of the Charged Property in respect of which he is appointed on any terms that he thinks fit (including, if the Mortgagee consents, terms under which that Security ranks in priority to this Deed).

13.17 Redeem prior Security

A Receiver may redeem any prior Security and settle the accounts to which the Security relates. Any accounts so settled shall be, in the absence of any manifest error, conclusive and binding on the Mortgagor, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

13.18 Delegation

A Receiver may delegate his powers in accordance with this Deed.

13.19 Absolute beneficial owner

A Receiver may, in relation to any of the Charged Property, exercise all powers, authorisations and rights he would be capable of exercising, and do all those acts and things, as an absolute beneficial owner could exercise or do in the ownership and management of the Charged Property or any part of the Charged Property.

13.20 Incidental powers

A Receiver may do any other acts and things:

- 13.20.1 that he may consider desirable or necessary for realising any of the Charged Property;

13.20.2 that he may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this Deed or law; or

13.20.3 that he lawfully may or can do as agent for the Mortgagor.

14 DELEGATION

14.1 Delegation

The Mortgagee or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this Deed (including the power of attorney granted under clause 18.1).

14.2 Terms

The Mortgagee and each Receiver may make a delegation on the terms and conditions (including the power to sub-delegate) that it thinks fit.

14.3 Liability

Neither the Mortgagee nor any Receiver shall be in any way liable or responsible to the Mortgagor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

15 APPLICATION OF PROCEEDS

15.1 Order of application of proceeds

All monies received by the Mortgagee, a Receiver or a Delegate under this Deed after the security constituted by this Deed has become enforceable (other than sums received under any Insurance Policy), shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in the following order of priority:

15.1.1 in or towards payment of or provision for all costs, charges and expenses incurred by or on behalf of the Mortgagee (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this Deed and of all remuneration due to any Receiver under or in connection with this Deed;

15.1.2 in or towards payment of or provision for the Secured Liabilities in any order and manner that the Mortgagee determines; and

15.1.3 in payment of the surplus (if any) to the Mortgagor or other person entitled to it.

15.2 Appropriation

Neither the Mortgagee, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 1925, which is varied accordingly, or otherwise) to

pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

15.3 Suspense account

All monies received by the Mortgagee, a Receiver or a Delegate under this Deed (other than sums received under any Insurance Policy that are not going to be applied in or towards discharge of the Secured Liabilities):

- 15.3.1 may, at the discretion of the Mortgagee, Receiver or Delegate, be credited to any suspense or securities realised account;
- 15.3.2 shall bear interest, if any, at the rate agreed in writing between the Mortgagee and the Mortgagor; and
- 15.3.3 may be held in that account for so long as the Mortgagee, Receiver or Delegate thinks fit.

16 COSTS AND INDEMNITY

16.1 Costs

The Mortgagor shall, promptly on demand, pay to, or reimburse, the Mortgagee and any Receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Mortgagee, any Receiver or any Delegate in connection with:

- 16.1.1 this Deed or the Charged Property;
- 16.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Mortgagee's, a Receiver's or a Delegate's rights under this Deed; or
- 16.1.3 taking proceedings for, or recovering, any of the Secured Liabilities.

16.2 Indemnity

16.2.1 The Mortgagor shall indemnify the Mortgagee, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:

- (a) the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this Deed or by law in respect of the Charged Property;

- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this Deed; or
- (c) any default or delay by the Mortgagor in performing any of its obligations under this Deed.

16.2.2 Any past or present employee or agent may enforce the terms of this clause 16.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

17 FURTHER ASSURANCE

The Mortgagor shall, at its own expense, take whatever action the Mortgagee or any Receiver may reasonably require for:

- 17.1 creating, perfecting or protecting the security intended to be created by this Deed;
- 17.2 facilitating the realisation of any of the Charged Property; or
- 17.3 facilitating the exercise of any right, power, authority or discretion exercisable by the Mortgagee or any Receiver in respect of any of the Charged Property,

including, without limitation (if the Mortgagee or Receiver thinks it expedient) the execution of any transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Charged Property (whether to the Mortgagee or to its nominee) and the giving of any notice, order or direction and the making of any registration.

18 POWER OF ATTORNEY

18.1 Appointment of attorneys

By way of security, the Mortgagor irrevocably appoints the Mortgagee, every Receiver and every Delegate separately to be the attorney of the Mortgagor and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things that:

- 18.1.1 the Mortgagor is required to execute and do under this Deed; or
- 18.1.2 any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this Deed or by law on the Mortgagee, any Receiver or any Delegate.

18.2 Ratification of acts of attorneys

The Mortgagor ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in clause 18.1.

19 RELEASE

Subject to clause 26.3, on the expiry of the Security Period (but not otherwise), the Mortgagee shall, at the request and cost of the Mortgagor, take whatever action is necessary to:

19.1 release the Charged Property from the security constituted by this Deed; and

19.2 reassign the Charged Property to the Mortgagor.

20 ASSIGNMENT AND TRANSFER

20.1 Assignment by Mortgagee

20.1.1 At any time, without the consent of the Mortgagor, the Mortgagee may assign or transfer any or all of its rights and obligations under this Deed.

20.1.2 The Mortgagee may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Mortgagor, the Charged Property and this Deed that the Mortgagee considers appropriate.

20.2 Assignment by Mortgagor

The Mortgagor may not assign any of its rights, or transfer any of its rights or obligations, under this Deed.

21 SET-OFF

21.1 Mortgagee's right of set-off

The Mortgagee may at any time set off any liability of the Mortgagor to the Mortgagee against any liability of the Mortgagee to the Mortgagor, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this Deed. If the liabilities to be set off are expressed in different currencies, the Mortgagee may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Mortgagee of its rights under this clause 21.1 shall not limit or affect any other rights or remedies available to it under this Deed or otherwise.

21.2 No obligation to set off

The Mortgagee is not obliged to exercise its rights under clause 21.1. If, however, it does exercise those rights it must promptly notify the Mortgagor of the set-off that has been made.

22 AMENDMENTS, WAIVERS AND CONSENTS

22.1 Amendments

No amendment of this Deed shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

22.2 Waivers and consents

22.2.1 A waiver of any right or remedy under this Deed or by law, or any consent given under this Deed, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.

22.2.2 A failure to exercise or a delay in exercising any right or remedy provided under this Deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this Deed. No single or partial exercise of any right or remedy provided under this Deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this Deed by the Mortgagee shall be effective unless it is in writing.

22.3 Rights and remedies

The rights and remedies provided under this Deed are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

23 SEVERANCE

If any provision (or part of a provision) of this Deed is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this Deed.

24 COUNTERPARTS

24.1 This deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.

24.2 No counterpart shall be effective until each party has executed and delivered at least one counterpart.

25 THIRD PARTY RIGHTS

25.1 Except as expressly provided elsewhere in this Deed, a person who is not a party to this Deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this Deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

- 25.2 The rights of the parties to rescind or agree any amendment or waiver under this Deed are not subject to the consent of any other person.

26 FURTHER PROVISIONS

26.1 Independent security

The security constituted by this Deed shall be in addition to, and independent of, any other security or guarantee that the Mortgagee may hold for any of the Secured Liabilities at any time. No prior security held by the Mortgagee over the whole or any part of the Charged Property shall merge in the security created by this Deed.

26.2 Continuing security

The security constituted by this Deed shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Mortgagee discharges this Deed in writing.

26.3 Discharge conditional

Any release, discharge or settlement between the Mortgagor and the Mortgagee shall be deemed conditional on no payment or security received by the Mortgagee in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded under any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:

26.3.1 the Mortgagee or its nominee may retain this Deed and the security created by or under it, including all certificates and documents relating to the whole or any part of the Charged Property, for any period that the Mortgagee deems necessary to provide the Mortgagee with security against any such avoidance, reduction or order for refund; and

26.3.2 the Mortgagee may recover the value or amount of such security or payment from the Mortgagor subsequently as if the release, discharge or settlement had not occurred.

26.4 Certificates

A certificate or determination by the Mortgagee as to any amount for the time being due to it from the Mortgagor under this Deed shall be, in the absence of any manifest error, conclusive evidence of the amount due.

26.5 Consolidation

The restriction on the right of consolidation contained in section 93 of the LPA 1925 shall not apply to this Deed.

27 NOTICES

27.1 Delivery

Any notice or other communication given to a party under or in connection with this Deed shall be:

- 27.1.1 in writing;
- 27.1.2 delivered by hand, by pre-paid first-class post or other next working day delivery service or sent by fax; and
- 27.1.3 sent to:
 - (a) the Mortgagor at:

Tednambury Farm, Tednambury Sawbridgeworth, Herts CM23 4BD

Attention: Baron Bloom
 - (b) the Mortgagee at:

Valhalla House, 30 Ashby Road, Towcester, Northamptonshire
NN12 6PG

Attention: Peter Nichols

or to any other address or fax number as is notified in writing by one party to the other from time to time.

27.2 Receipt by Mortgagor

Any notice or other communication that the Mortgagee gives to the Mortgagor shall be deemed to have been received:

- 27.2.1 if delivered by hand, at the time it is left at the relevant address;
- 27.2.2 if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting; and
- 27.2.3 if sent by fax, when received in legible form.

A notice or other communication given as described in clause 27.2.1 or clause 27.2.3 on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

27.3 Receipt by Mortgagee

Any notice or other communication given to the Mortgagee shall be deemed to have been received only on actual receipt.

27.4 Service of proceedings

This clause 27 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

28 GOVERNING LAW AND JURISDICTION

28.1 Governing law

This deed and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

28.2 Jurisdiction

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

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

SCHEDULE 1
- PROPERTY

The leasehold property at Plots 2a and 2b, Traynor Way, Peterlee as demised by the Headlease and registered at the Land Registry with title absolute under title number DU336706.

SCHEDULE 2
- Events Of Default

- 1 The Mortgagor fails to pay in the currency, at the time or in the manner set out in the Contract, the Secured Liabilities;
- 2 the Mortgagor commits any breach of or defaults in the due and punctual performance or observance of any of the terms, obligations or covenants set out in this Deed or such other Document to which it is a party unless such failure to comply is capable of remedy and is remedied within ten (10) Business Days of the Mortgagee giving notice to the Mortgagor or the Mortgagor as the case may be becoming aware of the failure to comply; or
- 3 the Mortgagor is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness; or
- 4 the value of the assets of the Mortgagor is less than its liabilities (taking into account contingent and prospective liabilities and taking account of when such liabilities fall due); or
- 5 a moratorium is declared in respect of any indebtedness of the Mortgagor; or
- 6 any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - 6.1 the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any member of the Mortgagor's corporate group;
 - 6.2 a composition, compromise, assignment or arrangement with any creditor of any member of the Mortgagee's corporate group;
 - 6.3 the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any member of the Group or any of its assets; or
 - 6.4 enforcement of any security over any assets of any member of the Group, or any analogous procedure or step is taken in any jurisdiction; or
- 7 any expropriation, attachment, sequestration, distress or execution affects any asset of the Mortgagor and is not discharged within twenty (20) Business Days.

SCHEDULE 3
- FORM OF NOTICE AND ACKNOWLEDGMENT FOR TENANT

Part 1

Form of Notice to Tenant

[On the Letterhead of the Mortgagor]

To: [The Tenant]
[Address of Unit]
Copy to: []
(as Mortgagee)
Date: []

Dear Sirs

Mortgage dated [] (the "Mortgage") between, amongst others, [] (the "Mortgagor") and [] (the "Mortgagee") and an assignment of rental income ("Assignment of Rental Income") dated [] between the Mortgagor and the Mortgagee

This letter constitutes notice to you that pursuant to the Mortgage and the Assignment of Rental Income we have assigned to the Mortgagee in part absolutely and in part by way of security all our present and future rights in the Rental Income under or in connection with the lease between you and us [*insert details of lease*] (the "Lease").

We irrevocably authorise and instruct you to:

- 1 disclose to the Mortgagee without any reference to or further authority from us (and without any enquiry by you as to the justification for such disclosure), such information relating to the Lease as the Mortgagee may at any time request;
- 2 deal only with us in relation to the Lease unless you receive written instructions from the Mortgagee to the contrary;
- 3 continue to pay all sums from time to time due and payable by you under the Lease to the Mortgagee's account detailed below (or such other account as the Mortgagee shall notify you from time to time) until such time as you receive notice from the Mortgagee instructing you otherwise (the "Instruction Notice") following which you shall comply with all instructions contained in such Instruction Notice or in any subsequent notice or instructions relating to the Lease or the debts represented by such Lease which you receive from the Mortgagee without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction; and

- 4 send copies of all notices and communications relating to the Lease to the Mortgagee as well as to us.

The Mortgagee's account to which rent is to be paid is:

Bank: Barclays
Account name: TaxspecialEFX (Peterlee) LLP
Sort Code: 20-57-44
Account number: 23104397

We further instruct you that upon receipt of notice from the Mortgagee that an Event of Default has occurred and is continuing:

- 1 all remedies provided for in the Lease or available at law or in equity are exercisable by the Mortgagee (provided that the Mortgagee shall have no greater rights under this notice than we have under the Lease);
- 2 all rights to compel performance of the Lease are exercisable by the Mortgagee although the Mortgagor shall remain liable to perform all of the obligations assumed by it under the Lease; and
- 3 all rights, interests and benefits whatsoever accruing to or for the benefit of us arising from the Lease belong to the Mortgagee to the exclusion of the Mortgagor.

Please note that we are and will remain liable to perform all the obligations assumed by us under the Lease and that neither the Mortgagee, any Receiver nor any of their agents will at any time have any liability to you under the Lease.

We are not permitted to agree any amendment or supplement to, or to waive any term of the Lease, or to terminate the Lease or to allow it to lapse other than where the Lease expires in accordance with its terms and not by reason of default without the prior written consent of the Mortgagee.

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

This notice is governed by English law.

Please confirm your agreement to the above by sending the attached acknowledgement to **[identify Mortgagee officer]** at **[insert address details of Mortgagee]** with a copy to us at the above address.

Yours faithfully

For and on behalf of **[insert details of the Mortgagor]**

Part 1
Form of Acknowledgement from Tenant
[On the letterhead of the Tenant]

To: [Assignor]

Copy to: []
(as Mortgagee)

Date: []

Dear Sirs

Mortgage dated [] (the "Mortgage") between, amongst others, [] (the "Mortgagor") and [] (the "Mortgagee") and an assignment of rental income ("Assignment of Rental Income") dated [] between the Mortgagor and the Mortgagee

We confirm receipt from the Mortgagor of a notice dated [] (the "Notice") of an assignment, pursuant to the terms of the Mortgage and the Assignment of Rental Income, of all the Mortgagor's present and future rights in the Rental Income under or in connection with the lease between you and us under [*insert details of lease*] (the "Lease").

We confirm that:

- 1 we accept the instructions and authorisations contained in the Notice and we undertake to act in accordance with and comply with the terms of the Notice;
- 2 we have not received notice of the creation of any other assignment of or security over rights or proceeds arising under the Lease in favour of any third party or the creation of any other third party interest in those rights or proceeds and we will notify you promptly should we receive any such notice;
- 3 we have not claimed or exercised nor do we have any outstanding right to claim or exercise against the Mortgagor any right of set-off, counter claim or other right relating to the Lease;
- 4 we agree that no term of the Lease may be amended, supplemented or waived without your prior written consent; and
- 5 we agree that the Lease may not be terminated without your prior written consent.

This letter is governed by English law.

Yours faithfully

.....
For and on behalf of ***[Name of Tenant]***

SCHEDULE 4
- FORM OF NOTICE AND ACKNOWLEDGMENT FOR INSURER

Part 1

Form of Notice to Insurer

[On the letterhead of the Mortgagor]

To: [insert name and address of Insurer]

Copy to: [Mortgagee details]

Date: []

Dear Sirs

Mortgage dated [] between, amongst others, [] (the "Mortgagor") and [] (the "Mortgagee") (the "Mortgage")

This letter constitutes notice to you that, pursuant to the Mortgage, we have assigned to the Mortgagee by way of security all amounts payable to us under or in connection with the following policies [*insert description of Insurances*] (the "**Policies**").

We irrevocably authorise and instruct you to:

- 1 disclose to the Mortgagee without any reference to or further authority from us (and without any enquiry by you as to the justification for such disclosure), such information relating to the Policies as the Mortgagee may at any time request;
- 2 pay any sums from time to time due and payable by you under the Policies to the Mortgagee in accordance with any written instructions given to you by the Mortgagee from time to time;
- 3 comply with the terms of any notice or instructions relating to the Policies which you receive from the Mortgagee (without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction); and
- 4 send copies of all notices issued under the Policies to the Mortgagee as well as to us.

Please note that we are and will remain liable to perform all the obligations assumed by us under the Policies and that neither the Mortgagee, nor any Receiver nor any of their agents nor any other person will have any liability to you under the Policies.

We are not permitted to agree any amendment or supplement to or to waive any term of the Policies or to terminate any Policy without the prior written consent of the Mortgagee.

The instructions in this notice cannot be revoked or amended without the prior written consent of the Mortgagee.

Please confirm your agreement to the above by sending the attached acknowledgement to the Mortgagee at [address] with a copy to us at the above address.

This notice is shall be governed by and construed in accordance with English law.

Yours faithfully

.....
For and on behalf of [*insert details of the chargor*]

Part 2

Form of Acknowledgement from Insurer

[On the letterhead of the Insurer]

To: [Mortgagee]

[Address]

Copy: [Mortgagor]

Date: []

Dear Sirs

Mortgage dated [] between, amongst others, [] (the "Mortgagor") and [] (the "Mortgagee") (the "Mortgage")

We acknowledge receipt from the Mortgagor of a notice dated [] (the "Notice") of an assignment, pursuant to the terms of the Mortgage, of (i) all amounts payable to the Mortgagor under or in connection with the Policies (as defined in the Notice); and (ii) all the Mortgagor's rights in connection with those amounts.

We confirm that:

- 1 we accept the instructions and authorisations contained in the Notice and undertake to act in accordance with and comply with the terms of the Notice;
- 2 we will not terminate or otherwise allow any of the Policies to lapse without giving you at least 30 days' prior written notice;
- 3 we have not received notice of the creation of any other assignment of or any security over rights or proceeds arising under the Policies in favour of any third party or the creation of any other third party interest in those rights or proceeds;
- 4 we will notify you, the Mortgagee, at least 30 days before the Policy is due to expire, if we have not received the Mortgagor's renewal instructions in relation to such Policy;
- 5 we agree that no term of the Policies may be amended, supplemented or waived without your prior written consent;
- 6 we agree to notify you if the Mortgagor breaches the terms of any Policy or otherwise gives us grounds to declare any Policy void or voidable and, where the breach is capable of being remedied, to allow you or your agents to remedy the relevant breach; and

7 we have not claimed or exercised, and have no outstanding right to claim or exercise, any right of set-off or counterclaim, or other right, in relation to any sum paid or payable under the Policy.

All terms used in this letter have the same meaning as in the Notice.

This acknowledgment is governed by and construed in accordance with English law.

Yours faithfully

.....
For and on behalf of
[Name of insurance company]

908

SIGNATURE PAGE

MORTGAGOR

EXECUTED as a **DEED** by)
ETAIREIA INVESTMENTS PLC)
acting by)
a)



Director, in the presence of:

Signature of Director

Signature of Witness:



Name:

John Knight

Address:



Occupation:

BUILDER

SIGNATURE PAGE

MORTGAGEE

EXECUTED as a DEED by)
TAXSPECIALEFX (PETERLEE))
LLP acting by)
_____, a)

Designated Member in the presence
of:

Signature of Designated Member

Signature of Witness:

Name:

Address:

Occupation: