



Registration of a Charge

Company name: **DAVID WOOD BAKING LIMITED**

Company number: **06541251**



X3BQZMC2

Received for Electronic Filing: **09/07/2014**

Details of Charge

Date of creation: **04/07/2014**

Charge code: **0654 1251 0014**

Persons entitled: **BRAKE BROS LIMITED**

Brief description: **LAND AND BUILDINGS TO THE NORTH EAST OF OLD LONDON ROAD, FLINT, CH6 5EY AS IS REGISTERED AT THE LAND REGISTRY UNDER TITLE NUMBER WA344110.**

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

Certified by: **BLACKS SOLICITORS LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 6541251

Charge code: 0654 1251 0014

The Registrar of Companies for England and Wales hereby certifies that a charge dated 4th July 2014 and created by DAVID WOOD BAKING LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 9th July 2014 .

Given at Companies House, Cardiff on 10th July 2014

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Dated

4th July

2014

DAVID WOOD BAKING LIMITED

- and -

BRAKE BROS LIMITED

LEGAL CHARGE

- relating to -

the land and buildings to the North East of Old
London Road, Flint, CH6 5EY as is registered
at the Land Registry under Title Number
WA344110

Ref: SAE/719016-2

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DATE

4 July

2014

PARTIES

- (1) **DAVID WOOD BAKING LIMITED** (registered in England and Wales under company registration number 06541251) whose registered office as at 1 Calverley Road, Oulton, Leeds, LS26 8JD (**Borrower**).
- (2) **BRAKE BROS LIMITED** (registered in England and Wales under company registration number 02035315) whose registered office as at Enterprise House, Eureka Business Park, Ashford, Kent TN25 4AG, trading as Creative Foods (**Lender**).

RECITALS

- (A) The Lender and Borrower have entered into the Supply Agreement and the Supply Agreement provides that the Early Termination Sum is payable by the Borrower to the Lender in certain circumstances.
- (B) The Supply Agreement provides for the transfer of the Property to the Borrower.
- (C) This legal mortgage provides security which the Borrower has agreed to give the Lender in respect of the payment of the Early Termination Sum.

IT IS AGREED THAT

1. Definitions and Interpretation

1.1 Definitions

The definitions and rules of interpretation in this clause apply in this legal mortgage.

Business Day: a day (other than a Saturday or a Sunday) on which commercial banks are open for general business in London and deposits are dealt with on the London Interbank Market.

Charged Property: all the assets, property and undertaking for the time being subject to any Encumbrance created by this legal mortgage. References to the Charged Property shall include references to any part of it.

Costs: all proper costs, charges, expenses, taxes and liabilities of any kind, including (without limitation) costs and damages in connection with litigation, professional fees, disbursements and any VAT charged on Costs which the Lender or any Receiver or Delegate may charge or incur in relation to this legal mortgage, the Charged Property or breach of any provision of this legal mortgage by the Borrower.

Delegate: any person appointed by the Lender or any Receiver pursuant to clause 12 and any person appointed as attorney of the Lender, Receiver or Delegate.

Early Termination Sum: shall have the meaning given to it in the Supply Agreement.

Encumbrance: 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.

Environment: all of the air, water and land, including (without limitation) the air within buildings and other natural or man-made structures above or below ground, ground and surface water, and surface and sub-surface soil.

Environmental Law: all applicable statutes, treaties, regulations, directives or similar measures relating to the pollution or protection of the Environment that affect the Charged Property.

Environmental Licence: any authorisation required by an Environmental Law in respect of any of the Charged Property.

Event of Default: (i) the termination of the Supply Agreement and/or (ii) non payment of the Termination Sum by DWB to Brakes.

First Charge: the legal charge to be given in favour of the First Lender.

First Lender: the lender providing the First Loan.

First Loan: the principal sum borrowed from the First Lender to be secured by the First Charge.

Supply Agreement: the agreement dated between the Borrower and the Lender for the supply of goods which includes the payment of the Termination Sum such obligation being secured by this legal mortgage.

Insurance Policies: the insurance policies referred to in Part 2 of Schedule 2.

LPA: the Law of Property Act 1925.

Property: the land and buildings to the North East of Old London Road, Flint, CH6 5EY as is registered at the Land Registry under Title Number WA344110.

Receiver: a receiver and/or manager of any or all of the Charged Property.

Secured Liabilities: the obligation to pay the Early Termination Sum together with all interest and costs (including, without limitation, default interest) accruing in respect of such monies or liabilities.

Security Period: the period starting on the date of this legal mortgage and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.

Valuation: any valuation relating to the Property supplied to the Lender by the Borrower (or on its behalf).

VAT: value added tax chargeable under the Value Added Tax Act 1994 and any similar replacement and any additional replacement tax.

1.2 Interpretation

In this legal mortgage:

- 1.2.1 A reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force for the time being, taking account of any amendment or re-enactment or extension and includes any former statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.2.2 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.2.3 Unless the context otherwise requires, words in the singular shall include the plural and in the plural include the singular.
- 1.2.4 A reference to a clause or Schedule is to a clause of, or Schedule to, this legal mortgage and references to paragraphs are to paragraphs of the relevant Schedule, unless the context otherwise requires.
- 1.2.5 A reference to this legal mortgage (or any provision of it) or any other document shall be construed as a reference to this legal mortgage, that provision or that document as it is in force for the time being and as amended in accordance with its terms or with the agreement of the relevant parties.
- 1.2.6 A reference to a person shall include a reference to an individual, firm, company, partnership, corporation, unincorporated body of persons, or any state or any agency of any person.
- 1.2.7 A reference to an amendment includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly).
- 1.2.8 A reference to assets includes present and future properties, undertakings, revenues, rights and benefits of every description.
- 1.2.9 A reference to an authorisation includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution.
- 1.2.10 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.
- 1.2.11 A reference to determines or determined means, unless the contrary is indicated, a determination at the discretion of the person making it.
- 1.2.12 Clause, Schedule and paragraph headings shall not affect the interpretation of this legal mortgage.

1.3 Clawback

If the Lender considers acting reasonably and properly that an amount paid by the Borrower in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Borrower or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this legal mortgage.

1.4 Nature of security over real property

A reference in this legal mortgage 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 which are situated on or form part of the Property at any time;
- 1.4.2 the proceeds of 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 Borrower 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 Facility Agreement and of any side letters between any parties in relation to the Facility Agreement are incorporated into this legal mortgage.

1.6 Third party rights

A third party (being any person other than the Borrower, the Lender and its permitted successors and assigns, any Receiver and any Delegate) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce, or to enjoy the benefit of, any term of this legal mortgage.

1.7 Perpetuity period

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

1.8 Schedules

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

2. **Covenant to Pay**

2.1 Payment of Secured Liabilities

The Borrower shall, on demand, pay to the Lender and discharge the Secured Liabilities when they become due.

2.2 Payment of interest

The Borrower shall pay interest on the Secured Liabilities from day to day until full discharge (whether before or after judgment, liquidation, winding-up or

administration of the Borrower) at the rate and in the manner specified in the Supply Agreement. In the case of any Costs, such interest shall accrue and be payable as from the date on which the relevant Costs arose, without the need for any demand for payment being made.

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 Borrower with full title guarantee charges the Property to the Lender by way of legal mortgage.

4. Perfection of Security

4.1 Registration of legal mortgage at the Land Registry

The Borrower consents to an application being made by the Lender 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 other than the proprietor of a registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by Brakes Bros Limited or its conveyancer".

5. Liability of the Borrower

5.1 Liability not discharged

The Borrower's liability under this legal mortgage 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 Lender that is or becomes wholly or partially illegal, void or unenforceable on any ground; or
- 5.1.2 the Lender 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, which but for this clause 5.1 might have discharged, or otherwise prejudiced or affected, the liability of the Borrower.

5.2 Immediate recourse

The Borrower waives any right it may have to require the Lender to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this legal mortgage against the Borrower.

6. Representations and Warranties

The Borrower represents and warrants to the Lender in the terms set out in Schedule 1 on each day during the Security Period.

7. Covenants

The Borrower covenants with the Lender in the terms set out in Schedule 2.

8. Powers of the Lender

The Lender shall have the powers set out in Schedule 3.

9. Enforcement

9.1 When security becomes enforceable

The security constituted by this legal mortgage shall be immediately enforceable and the power of sale and other powers given by section 101 of the LPA (as varied or extended by this legal mortgage) shall be immediately exercisable at any time after the occurrence of an Event of Default (whether or not such Event of Default is still continuing).

9.2 When statutory powers arise

Section 103 of the LPA shall not apply to this legal mortgage and the statutory power of sale and other powers given by section 101 of the LPA (as varied or extended by this legal mortgage) shall, as between the Lender and a purchaser, arise on the execution of this legal mortgage and be exercisable at any time after such execution, but the Lender shall not exercise such power of sale until the security constituted by this legal mortgage has become enforceable under clause 9.1.

9.3 Enforcement of security

After the security constituted by this legal mortgage has become enforceable, the Lender 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.

9.4 Extension of statutory powers of leasing

The statutory powers of leasing and accepting surrenders are extended so as to authorise the Lender and any Receiver, at any time after the security constituted by this legal mortgage has become enforceable, whether in its own name or in that of the Borrower, to make any lease or agreement for lease, accept surrenders of leases or grant any option of the whole or any part of the Property with whatever rights relating to other parts of it, containing whatever covenants on the part of the Borrower, generally on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) and whether or not at a premium as the Lender or Receiver thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA.

9.5 Privileges

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

9.6 No liability as mortgagee in possession

Neither the Lender, 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.

9.7 Relinquishing possession

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

10. Receivers

10.1 Appointment and removal of a Receiver

At any time after the security constituted by this legal mortgage has become enforceable or at the request of the Borrower, the Lender may, without further notice:

10.1.1 appoint by way of deed, or otherwise in writing, any one or more person or persons to be a receiver or a receiver and manager, of all or any part of the Charged Property; and

10.1.2 (subject to section 45 of the Insolvency Act 1986) from time to time, by way of deed, or otherwise in writing, remove any person appointed to be Receiver and may, in a similar manner, appoint another in his place.

Where more than one person is appointed Receiver, they shall have power to act separately (unless the appointment by the Lender specifies to the contrary).

10.2 Power of appointment additional to statutory powers

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

10.3 Power of appointment exercisable despite prior appointments

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

10.4 Remuneration of a Receiver

The Lender may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA and the remuneration of the Receiver shall be a debt secured by this legal mortgage which shall be due and payable immediately upon its being paid by the Lender.

11. Powers and Capacity of a Receiver

11.1 Powers of a Receiver

Any Receiver appointed by the Lender under this legal mortgage shall, in addition to the powers conferred on him by the LPA and the Insolvency Act 1986, have the powers set out in Schedule 4.

11.2 Scope of Receiver's powers

Any exercise of any of the powers of a Receiver by the Receiver may be on behalf of the Borrower, the directors of the Borrower or himself.

11.3 Receiver is agent of the Borrower

Any Receiver appointed by the Lender under this legal mortgage shall be the agent of the Borrower and the Borrower shall be solely responsible for his acts and remuneration, as well as for any defaults committed by him. The agency of each Receiver shall continue until the Borrower goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Lender.

12. Delegation

Each of the Lender and 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 legal mortgage (including the power of attorney granted under clause this legal mortgage). Any such delegation may be made upon such terms and conditions (including the power to sub-delegate) as the Lender or any Receiver shall think fit. Neither the Lender nor any Receiver shall be in any way liable or responsible to the Borrower for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

13. Application of Proceeds

13.1 Order of application

All monies received by the Lender, a Receiver or a Delegate (other than sums received pursuant to any Insurance Policy) pursuant to this legal mortgage after the security constituted by this legal mortgage has become enforceable, shall (subject to the claims of any person having prior rights and by way of variation of the LPA) be applied:

13.1.1 first in paying all costs, charges and expenses of, and incidental to, the appointment of any Receiver and the exercise of his powers and all outgoings paid by him;

13.1.2 second in paying the remuneration of any Receiver (as agreed between the Receiver and the Lender);

13.1.3 third in or towards discharge of the Secured Liabilities in such order and manner as the Lender determines; and

13.1.4 finally in paying any surplus to the Borrower or any other person entitled to it.

13.2 Appropriation

Neither the Lender, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA, 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.

13.3 Suspense account

All monies received by the Lender or a Receiver or a Delegate under this legal mortgage (other than sums received pursuant to any Insurance Policy which are not going to be applied in or towards discharge of the Secured Liabilities) may, at the discretion of the Lender, Receiver or Delegate, be credited to any suspense or securities realised account and shall bear interest at such rate, if any, as may be agreed in writing between the Lender, Receiver or Delegate and the Borrower, and may be held in such account for so long as the Lender, Receiver or Delegate thinks fit.

14. Protection of Third Parties

14.1 Protection of third parties

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

14.1.1 to enquire whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged, or whether the power the Lender or a Receiver or Delegate is purporting to exercise has become exercisable; or

14.1.2 to see to the application of any money paid to the Lender or any Receiver or Delegate.

14.2 Conclusive discharge to purchasers

The receipt of the Lender 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 Lender, every Receiver and every Delegate may do so for such consideration, in such manner and on such terms as it or he thinks fit.

15. Costs and Indemnity

15.1 Costs

The Borrower shall pay to, or reimburse, the Lender and any Receiver on demand, on a full indemnity basis, all Costs properly incurred by the Lender, any Receiver or Delegate in relation to:

15.1.1 this legal mortgage or the Charged Property;

15.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lender's, Receiver's or Delegate's rights under this legal mortgage; and

15.1.3 suing for, or recovering, any of the Secured Liabilities,

(including, without limitation, the Costs of any proceedings in relation to this legal mortgage or the Secured Liabilities), together with interest from day to day until full

discharge (whether before or after judgment, liquidation, winding-up or administration of the Borrower) at the rate and in the manner specified in the Supply Agreement. In the case of any Costs, such interest shall accrue and be payable as from the date on which the relevant Costs arose, without the need for any demand for payment being made.

15.2 Indemnity

The Lender, any Receiver and any Delegate, and their respective employees and agents, shall be indemnified on a full indemnity basis out of the Charged Property in respect of all actions, liabilities and Costs incurred or suffered in or as a result of:

- 15.2.1 the exercise, or purported exercise, of any of the powers, authorities or discretions vested in them under this legal mortgage; or
- 15.2.2 any matter or thing done, or omitted to be done, in relation to the Charged Property under those powers; or
- 15.2.3 any default or delay by the Borrower in performing any of its obligations under this legal mortgage.

16. Power of Attorney

16.1 Appointment of attorneys

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

- 16.1.1 the Borrower is required to execute and do under this legal mortgage; and
- 16.1.2 any attorney may deem proper or desirable in exercising any of the powers, authorities and discretions conferred by this legal mortgage or by law on the Lender, any Receiver or any Delegate.

16.2 Ratification of acts of attorneys

The Borrower ratifies and confirms, and agrees to ratify and confirm, anything which any of its attorneys may do in the proper and lawful exercise or purported exercise of all or any of the powers, authorities and discretions referred to in 16.1

17. Release

Subject to clause 19, on the expiry of the Security Period (but not otherwise), the Lender shall, at the request and cost of the Borrower, take whatever action is necessary to release the Charged Property from the security constituted by this legal mortgage.

18. Assignment and Transfer

18.1 Assignment by the Lender

At any time, without the consent of the Borrower, the Lender may assign or transfer the whole or any part of the Lender's rights and/or obligations under this legal mortgage to any person. The Lender may disclose such information about the

Borrower, the Charged Property and this legal mortgage as the Lender considers appropriate to any actual or proposed assignee or transferee.

18.2 Assignment by the Borrower

The Borrower may not assign any of its rights, or transfer any of its obligations, under this legal mortgage or enter into any transaction which would result in any of those rights or obligations passing to another person.

19. Further Provisions

19.1 Independent security

This legal mortgage shall be in addition to, and independent of, every other security or guarantee which the Lender may hold for any of the Secured Liabilities at any time. No prior security held by the Lender over the whole or any part of the Charged Property shall merge in the security created by this legal mortgage.

19.2 Continuing security

This legal mortgage 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 Lender discharges this legal mortgage in writing.

19.3 Discharge conditional

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

19.3.1 the Lender or its nominee may retain this legal mortgage and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Charged Property, for such period as the Lender deems necessary to provide the Lender with security against any such avoidance, reduction or order for refund; and

19.3.2 the Lender may recover the value or amount of such security or payment from the Borrower subsequently as if such release, discharge or settlement had not occurred.

19.4 Certificates

A certificate or determination by the Lender as to any amount for the time being due to it from the Borrower shall (in the absence of any manifest error) be conclusive evidence of the amount due.

19.5 Rights cumulative

The rights and powers of the Lender conferred by this legal mortgage are cumulative, may be exercised as often as the Lender considers appropriate, and are in addition to its rights and powers under the general law.

19.6 Waivers

Any waiver or variation of any right by the Lender (whether arising under this legal mortgage or under the general law) shall only be effective if it is in writing and signed by the Lender and applies only in the circumstances for which it was given, and shall not prevent the Lender from subsequently relying on the relevant provision.

19.7 Further exercise of rights

No act or course of conduct or negotiation by or on behalf of the Lender shall, in any way, preclude the Lender from exercising any right or power under this legal mortgage or constitute a suspension or variation of any such right or power.

19.8 Delay

No delay or failure to exercise any right or power under this legal mortgage shall operate as a waiver.

19.9 Single or partial exercise

No single or partial exercise of any right under this legal mortgage shall prevent any other or further exercise of that or any other right.

19.10 Consolidation

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

19.11 Partial invalidity

The invalidity, unenforceability or illegality of any provision (or part of a provision) of this legal mortgage under the laws of any jurisdiction shall not affect the validity, enforceability or legality of the other provisions. If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with any modification necessary to give effect to the commercial intention of the parties.

19.12 Counterparts

This legal mortgage may be executed and delivered in any number of counterparts, each of which is an original and which together have the same effect as if each party had signed the same document.

20. Notices

20.1 Service

Each notice or other communication required to be given under, or in connection with, this legal mortgage shall be:

20.1.1 in writing, delivered personally or sent by pre-paid first-class letter; and

20.1.2 sent:

(a) to the Borrower at ;

(b) to the Lender at Enterprise House, Eureka Business Park, Ashford, Kent TN25 4AG, for the attention of

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

20.2 Receipt by Borrower

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

20.2.1 if given by hand, at the time of actual delivery; and

20.2.2 if posted, on the second Business Day after the day it was sent by pre-paid first-class post.

A notice or other communication given as described in clause 20.2.1 or clause 20.2.2 on a day which 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.

20.3 Receipt by Lender

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

21. Governing Law and Jurisdiction

21.1 Governing law

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

21.2 Jurisdiction

The parties to this legal mortgage irrevocably agree that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this legal mortgage or its subject matter or formation (including non-contractual disputes or claims). Nothing in this clause shall limit the right of the Lender to take proceedings against the Borrower 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.

21.3 Other service

The Borrower irrevocably consents to any process in any proceedings under legal mortgage being served on it in accordance with the provisions of this legal mortgage relating to service of notices. Nothing contained in this legal mortgage shall affect the right to serve process in any other manner permitted by law.

IN WITNESS this has been executed and delivered as a Deed by the parties on the date first above written

SCHEDULE 1

Representations and warranties

1. **Ownership of Charged Property**

The Borrower is the legal and beneficial owner of the Charged Property

2. **No Encumbrances**

The Charged Property is free from Encumbrances, other than Encumbrances existing at the date of this Deed, created by this legal mortgage and other than any First Charge

3. **Adverse Claims**

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

4. **Adverse Covenants**

There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever, which materially adversely affect the Charged Property save as subsist at the date of this deed.

5. **No Breach of Laws**

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

6. **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 save as exists at the date of this deed.

7. **No Overriding Interests**

Nothing has arisen, has been created on or after the date of this deed which would be an overriding interest in the Property.

8. **Avoidance of Security**

No Encumbrance expressed to be created under this legal mortgage is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Borrower or otherwise.

9. **Environmental Compliance**

The Borrower has, at all times, complied in all material respects with all applicable Environmental Law.

SCHEDULE 2

Covenants

Part 1

General covenants

1. Negative Pledge and Disposal Restrictions

The Borrower shall not at any time, except with the prior written consent of the Lender:

- 1.1 create, purport to create or permit to subsist any Encumbrance other than the First Charge on, or in relation to, the Charged Property other than this legal mortgage; or
- 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
- 1.3 create or grant (or purport to create or grant) any interest in the Charged Property in favour of a third party.

2. Preservation of Charged Property

The Borrower shall not do, or permit to be done, any act or thing which would or might depreciate, jeopardise or otherwise prejudice the security held by the Lender or materially diminish the value of any of the Charged Property or the effectiveness of the security created by this legal mortgage.

3. Enforcement of Rights

The Borrower shall use all reasonable endeavours to:

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

4. Compliance with Laws

The Borrower shall comply with all laws and regulations for the time being in force relating to or affecting any Charged Property and shall obtain and promptly renew from time to time and comply with the terms of all authorisations which may be necessary to enable it to preserve, maintain or renew any Charged Property.

5. Notice of Breaches

The Borrower shall, promptly on becoming aware of any of the same, give the Lender notice in writing of any breach of:

- 5.1 any representation or warranty set out in Schedule 1; and

5.2 any covenant set out in this Schedule 2.

6. Notices to be given by the Borrower

The Borrower shall immediately on the execution of this legal mortgage give notice to the relevant insurers of the interest of the Lender in the Property under the terms of this Legal Mortgage.

7. Further Assurance

The Borrower, at its own cost, shall prepare and execute such further legal or other mortgages, charges or transfers (containing a power of sale and such other provisions as the Lender may reasonably require) in favour of the Lender as the Lender, in its absolute discretion, reasonably requires from time to time over all or any part of the Charged Property and give all notices, orders and directions which the Lender may require, in its absolute discretion, for perfecting, protecting or facilitating the realisation of its security over the Charged Property.

8. Borrower's Waiver of Set-off

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

Part 2

Property covenants

1. Insurance

1.1 The Borrower shall insure and keep insured the Property against:

1.1.1 loss or damage by fire or terrorist acts;

1.1.2 other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Borrower; and

1.1.3 any other risk, perils and contingencies as the Lender may reasonably require.

1.2 Any such insurance must be with an insurance company or underwriters and on such terms as are reasonably acceptable to the Lender and must (pending practical completion of the development of the Charged Property) be on contractors' all risk terms acceptable to the Lender acting reasonably and following practical completion of the development of Property be for the full reinstatement cost of the development of the Property.

1.3 The Borrower shall, if requested by the Lender, produce to the Lender the policy, certificate or cover note relating to any such insurance required by paragraph 1.1 of this Part 2 of Schedule 2.

1.4 The Borrower shall procure that a note of the Lender's interest is endorsed upon each Insurance Policy maintained by it or any person on its behalf in accordance with paragraph 1.1 of this Part 2 of Schedule 2 and shall use reasonable

endeavours to procure that the terms of each such Insurance Policy require the insurer not to invalidate the policy as against the Lender by reason of the act or default of any other joint or named insured and not to cancel it without giving at least 30 days' prior written notice to the Lender.

2. Insurance Premiums

The Borrower:

- 2.1 shall promptly pay all premiums in respect of each Insurance Policy and do all other things necessary to keep such policy in full force and effect; and
- 2.2 shall (if the Lender so requires) produce to the Lender the receipts for all premiums and other payments necessary for effecting and keeping up the Insurance Policies

3. No Invalidity of Insurance

The Borrower shall not do or omit to do or permit to be done or omitted any thing that may invalidate or otherwise prejudice the Insurance Policies.

4. Insurance Policies' Proceeds

All monies payable under any of the Insurance Policies at any time (whether or not the security constituted by this legal mortgage has become enforceable) shall (unless the Lender otherwise requires) be applied in making good or recouping expenditure in respect of the loss or damage for which such monies are received or, after the security constituted by this legal mortgage has become enforceable and if the Lender so directs, in or towards discharge or reduction of the Secured Liabilities.

5. No Restrictive Obligations

The Borrower shall not, without the prior written consent of the Lender such consent not to be unreasonably withheld or delayed, 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 whatsoever in or over the whole or any part of the Property save as disclosed in writing by the Borrower to the Lender before the date of this deed.

6. Proprietary Rights

The Borrower 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 Lender.

7. Compliance with and Enforcement of Covenants

The Borrower shall:

- 7.1 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 Lender so requires) produce to the Lender evidence sufficient to satisfy the Lender that those covenants, stipulations and conditions have been observed and performed; and

7.2 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. Notices or Claims Relating to the Property

8.1 The Borrower shall:

8.1.1 give full particulars to the Lender 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

8.1.2 (if the Lender so requires) immediately, and at the cost of the Borrower, take all reasonable and necessary steps to comply with any Notice, and make, or join with the Lender in making, such objections or representations in respect of any such Notice as the Lender may desire.

8.2 The Borrower shall give full particulars to the Lender of any claim, notice or other communication served on it in respect of any alleged breach of any Environmental Law relating to the Property.

9. Environment

The Borrower shall in relation to the Property:

9.1.1 properly discharge in all material respects all duties of care and responsibility placed upon it by Environmental Law; and

9.1.2 observe and perform in all material respects all the requirements of Environmental Law.

10. Conduct of Business on Property

The Borrower 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.

11. Inspection

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

SCHEDULE 3

Powers of the Lender

1. Power to Remedy

1.1 The Lender shall be entitled (but shall not be obliged) to remedy a breach at any time by the Borrower of any of its obligations contained in this legal mortgage. The Borrower irrevocably authorises the Lender and its agents to do all such things as are necessary or desirable for that purpose. Any monies properly expended by the Lender in remedying a breach by the Borrower of any of its obligations contained in this legal mortgage shall be reimbursed by the Borrower to the Lender on a full indemnity basis and shall carry interest in accordance with the terms of the Supply Agreement

1.2 In remedying any breach in accordance with paragraph 1.1 of this Schedule 3, the Lender, its agents and their respective officers, agents and employees shall be entitled to enter onto the Property and to take any action as the Lender may reasonably consider necessary or desirable including, without limitation, carrying out any repairs, other works or development.

2. Exercise of Rights

The rights of the Lender under paragraph 1 of this Schedule 3 are without prejudice to any other rights of the Lender under this legal mortgage. The exercise of those rights shall not make the Lender liable to account as a mortgagee in possession.

3. Lender has Receiver's Powers

To the extent permitted by law, any right, power or discretion conferred by this legal mortgage on a Receiver may, after the security constituted by this legal mortgage has become enforceable, be exercised by the Lender 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.

4. Indulgence

The Lender may, at its discretion, grant time or other indulgence or make any other arrangement, variation or release with any person that is not party to this legal mortgage (whether or not such person is jointly liable with the Borrower) in respect of any of the Secured Liabilities or of any other security for them without prejudice either to this legal mortgage or to the liability of the Borrower for the Secured Liabilities.

SCHEDULE 4

Powers of a Receiver

1. Power to 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.

2. Power to Grant or Accept Surrenders of Leases

A Receiver may grant, or accept surrenders of, any leases or tenancies affecting the Property and may grant any other interest or right over the Property on such terms and subject to such conditions as he thinks fit.

3. Power to Employ Personnel and Advisers

A Receiver may, for the purposes of this Schedule 4, provide services and employ, or engage, such managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on such salaries, for such periods and on such other terms as he thinks fit. A Receiver may discharge any such person or any such person appointed by the Borrower.

4. Power to Make and Revoke VAT Options to Tax

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

5. Power to Charge for Remuneration

A Receiver may charge and receive such sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) as the Lender may prescribe or agree with him acting reasonably and properly.

6. Power to 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 such demands and take such proceedings as may seem expedient for that purpose, and take possession of the Charged Property with like rights.

7. Power to Manage or Reconstruct the Borrower'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 Borrower carried out at the Property.

8. Power to Dispose of Charged Property

A Receiver may grant options and licences over all or any part of the Charged Property, sell or concur in selling, assign or concur in assigning, lease or concur in leasing and accept or concur in accepting surrenders of leases of, 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 such terms and conditions as he thinks fit. A Receiver may promote, or

concur in promoting, a company to purchase the Charged Property to be disposed of by him.

9. Power to Sever Fixtures and Fittings

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

10. Power to Give Valid Receipts

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

11. Power to Make Settlements

A Receiver may make any arrangement, settlement or compromise between the Borrower and any other person as he thinks fit.

12. Power to Bring Proceedings

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

13. Power to Insure

A Receiver may, if he thinks fit, 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 Borrower under this legal mortgage.

14. Powers Under LPA

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

15. Power to Borrow

A Receiver may, for any of the purposes authorised by this Schedule 4, raise money by borrowing from the Lender (or from any other person) on the security of all or any of the Charged Property in respect of which he is appointed on such terms as he thinks fit (including, if the Lender consents, terms under which such security ranks in priority to this legal mortgage).

16. Power to Redeem Prior Encumbrances

A Receiver may redeem any prior Encumbrance and settle and pass the accounts to which the Encumbrance relates. Any accounts so settled and passed shall be conclusive and binding on the Borrower, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

17. Power of Absolute Owner

A Receiver may do all such acts and things as an absolute owner could do in the ownership and management of the Charged Property or any part of it.

18. Incidental Powers

A Receiver may do all such other acts and things as he may consider incidental or conducive to any of the matters or powers in this Schedule 4, or which he lawfully may or can do as agent for the Borrower

SIGNED as a deed by
David Wood Baking Limited
acting by
in the presence of:

)

)

)

David Wood

Director

Witness'
Signature
Name (capital
letters)
Address

NR Daye

NEEL R HOYLE

22, Clarendon Road

London EC2 9WZ

Tel: (0113) 207 0000

Occupation

Director

22, Clarendon Road

London EC2 9WZ

Tel: (0113) 207 0000

SIGNED as a deed by
Brake Bros Limited
acting by
in the presence of:

)

)

)

Director

Witness'
Signature
Name (capital
letters)
Address

Occupation

