



**Registration of a Charge**

Company name: **312 PROPERTY 01 LTD**

Company number: **08418023**



X793E5U2

Received for Electronic Filing: **29/06/2018**

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**Details of Charge**

Date of creation: **22/06/2018**

Charge code: **0841 8023 0005**

Persons entitled: **HABIB BANK ZURICH PLC**

Brief description: **4-8 (EVEN) UPPER MARKET SQUARE, STOKE-ON-TRENT, ST1 1NT AND  
10-12 UPPER MARKET SQUARE, HANLEY, STOKE-ON-TRENT, ST1 1NS  
WITH TITLE NUMBERS SF448227 AND SF522489**

**Contains fixed charge(s).**

**Contains floating charge(s) (floating charge covers all the property or  
undertaking of the company).**

**Contains negative pledge.**

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**Authentication of Form**

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

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**Authentication of Instrument**

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT  
TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC**

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

Certified by:

**GATELEY PLC**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 8418023

Charge code: 0841 8023 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 22nd June 2018 and created by 312 PROPERTY 01 LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 29th June 2018 .

Given at Companies House, Cardiff on 3rd July 2018

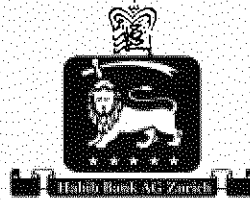
The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



**Companies House**



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



**Habib Bank Zurich plc**

**STANDARD MORTGAGE DEBENTURE**

# Standard Mortgage Debenture

NOTE 1: This Mortgage Debenture together with the prescribed particulars of the charge must be received by the Registrar of Companies within 21 days after the date of its creation (this provision applies to all companies whether or not registered in England and Wales).

NOTE 2: Clause 10.9. contains an application to register a restriction on the proprietorship register

## MORTGAGE DEBENTURE

DATED: 22 June 20 18

### PARTIES:

1. 312 PROPERTY 01 LTD ~~LIMITED~~ registered in England with registration

Number 08418023 whose registered office is at 4 Broadway,  
fallowfield, Manchester M35 0DB

2. HABIB BANK ZURICH plc (Company Number 08864609) whose registered office is at  
Habib House, 42 Moorgate, London EC2R 6JJ, England

### FIRST SCHEDULE:

### THE MORTGAGED PROPERTY

#### Part I:

Description of land:

If registered  
freehold or  
leasehold title

County or London Borough: SLOKE ON TRENT

Title Number: SF448227 and SF522489

4-8 (even) Upper Market Square Sloke on Trent ST1 1N  
Property: 10-12 Upper Market Square Hanley Sloke on Trent ST1 1NS

If unregistered  
freehold title

All that

If registered or unregistered  
leasehold title

Date:

Document:

Parties:

Term:

Rent:

Rent Reviews:

Property:

and including all buildings trade and other fixtures and fittings fixed plant and machinery from time to time on such freehold or leasehold

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Part 2: All estates and other interests in or otherwise arising out of freehold and leasehold property (including without prejudice to the foregoing any properties in Part 1 above) and other immovable property (including without limitation the proceeds of sale thereof and all vendors liens mortgages charges options agreements and rights titles and Interest therein) whosoever situate now or hereafter belonging to the Chargor and all buildings trade and other fixtures and fittings fixed plant and machinery from time to time on any such freehold leasehold and other immovable property;

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Part 3: All book and other debts choses in action and monetary claims of the Chargor or in which the Chargor is legally beneficially or otherwise interested (and the proceeds thereof) and the benefit of all rights relating thereto including without limitation rental and other occupational payments deposits and credit balances held by third parties from time to time now or at any time hereafter due or owing to the Chargor amounts owing under any building construction or development contract or by virtue of the Chargor's rights under any retention or other trusts any amounts owing or which may become owing to the Chargor by way of damages, compensation or otherwise under any judgment or order of any competent authority howsoever arising or by way of settlement or compromise of any legal proceedings and all rights (and the proceeds of such rights) present or future, actual or contingent, arising under or in connection with any contract whatsoever in which the Chargor has any right title or interest together with the full benefit of all guarantees and securities therefor and indemnities in respect thereof and all liens reservations of title rights of tracing negotiable instruments legal and equitable charges and other rights enabling the Chargor to enforce any such debts or claims;

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Part 4: All stocks shares bonds, certificates of deposit depository receipts derivatives (including any currency or currency unit, interest rate or commodity hedging arrangement) securities rights of subscription acquisition conversion redemption bonus preference option or otherwise in relation to any securities now or at any time hereafter owing or belonging (legally beneficially or otherwise) to the Chargor (and whether held in certificated form or in uncertificated form by a member (whether the Chargor itself or a third party) of CREST or any other similar system) together with all dividends interest and other income and all other rights of whatsoever kind deriving from or incidental to any of the foregoing;

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Part 5: The goodwill of the Chargor and its uncalled capital now or at any time hereafter in existence and future calls (whether made by the Directors of the Chargor or by a Receiver appointed hereunder or a liquidator);

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Part 6: All present and future trade names brand names trade or service marks copyrights patents inventions and design rights know-how and all other intellectual property rights whatsoever without any limitation whether registered or unregistered in all or any part of the world in which the Chargor is legally beneficially or otherwise interested and the benefit of any pending applications for the same and all benefits therefrom and thereunder including but not limited to fee royalties and profit sharing agreements and income arising therefrom and all licences in respect of or relating to any intellectual property rights whether such licences are granted to the Chargor or granted by the Chargor every item of physical material of any description or type whatever in or in respect of which intellectual property rights may subsist and in respect of each such item the original copy or version or variant owned by, produced by or delivered to or obtained by the Chargor and any rejected and surplus materials associated or connected with or forming

part of the foregoing which shall include without limitation any and all manuals and translations thereof, log books designs sketches algorithms calculations diagrams, computations source codes models prototypes apparatus computer programs photographs books and any other records in any medium electronic data and any other material of any description whatever in which intellectual property may be incorporated. (hereinafter collectively referred to as "the Intellectual Property");

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**Part 7:** All plant and machinery now or at any time hereafter belonging to the Chargor or in which the Chargor is legally, beneficially or otherwise interested (excluding however plant and machinery for the time being forming part of its stock in trade or work in progress and all trade and other fixtures and fittings fixed plant and machinery within Parts I and 2 above);

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**Part 8:** All chattels (including the full benefit of and the Chargors rights and interests in and to all insurances damages and warranties in respect thereof) now or at any time hereafter hired leased or rented by the Chargor to any other person together in each case with the benefit of any related hiring leasing or rental contract and any guarantee indemnity or other security for the performance of the obligations of any person under or in respect of such contract; and

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**Part 9:** All the rights interest and benefits of the Chargor under any present or future hire-purchase conditional sale credit sale leasing or rental agreement to which the Chargor is a party in the capacity of hirer purchaser or lessee including (without prejudice to the generality of the foregoing) the Chargor's right to any refund of rentals or other payments.

**SECOND SCHEDULE: THE PRIOR CHARGE**

Date	Document	Parties
_____	_____	_____
_____	_____	_____

**1. INTRODUCTION:**

1.1 Unless the context requires otherwise in this Mortgage Debenture the following terms shall have ascribed to them the following meanings:

1.1.1 "the Administrator" means any administrator or administrators appointed by the Bank under or pursuant to this Mortgage Debenture.

1.1.2 "the Bank" means the party of the second part including its successors in title and assigns in respect of this security.

1.1.3 "the Chargor" means the party or parties of the first part including the Chargor's successors in title and if the term includes more than one person it shall mean all or any one or more of those persons and the obligations of the Chargor shall be both joint and several.

1.1.4 "Environmental Laws" means all laws (statutory common law or otherwise) including without limitation circulars guidance notes and codes of practice from time to time regulating the carrying on of any process or activity on premises and any emissions from and all waste produced by such process or activity and any such chemicals or substances relating to the same whether relating to health and safety the workplace the environment or the provision of energy (including without limitation the Health and Safety at Work etc Act 1974 the Control of Pollution Act 1974 the Environmental Protection Act 1990 the

Environment Act 1995 the Water Industry Act 1991 the Water Resources Act 1991 the Statutory Water Companies Act 1991 the Water Consolidation (Consequential Provisions) Act 1991 the Clean Air Acts the Alkali & c. Works Regulation Act 1906 the Planning Hazardous Substances Act 1990 the Public Health Acts and the Radioactive Substances Act 1960 and any European Community legislation regulating the same) from time to time in force and any other instrument plan regulation permission authorisation and direction made or issued thereunder or deriving validity therefrom.

1.1.5 "Environmental Licence" means any permit licence authorisation consent or other approval required by or given pursuant to any Environmental Laws.

1.1.6 "the Intellectual Property" is as defined in Part 6 of the First Schedule.

1.1.7 "the Interest Dates" means such date for payment of interest as may from time to time be agreed between or binding on the Chargor and the Bank in writing or in the absence of such agreement on such date as the Bank may from time to time determine.

1.1.8 "the Interest Rate" means such rate of interest as may from time to time be agreed in writing between or binding on the Chargor and the Bank or in the absence of such agreement at a rate determined in accordance with the Bank's usual practice (the rate so agreed or determined to apply after as well as before any judgement).

1.1.9 "the Lease" means (including the same as may be varied from time to time) any and every lease or leases underlease or underleases agreement or agreements for lease or underlease or tenancy agreement or agreements under which the Mortgaged Property described in Parts 1 and 2 of the First Schedule if leasehold is held and any and every continuation thereof or substitution therefor.

1.1.10 "the Mortgaged Property" means all the property assets and income of the Chargor whether specified in the First Schedule or otherwise which is for the time being charged to the Bank (whether by way of fixed or floating charge) by or pursuant to this Mortgage Debenture and each and every part thereof including (without limitation) the Intellectual Property.

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

1.1.12 "the Prior Charge" means the charge or charges (if any) specified in the Second Schedule and to which on the date of this Mortgage Debenture the Mortgaged Property or such part of it as is charged by the Prior Charge is subject but without prejudice to any subsequent agreement relating to priorities between this Mortgage Debenture and the Prior Charge.

1.1.13 "the Receiver" means any receiver or receivers appointed by the Bank under or pursuant to the provisions of this Mortgage Debenture.

1.1.14 "the Secured Obligations" means:

- (i) all sums of money and all liabilities now or at any time (and whether before or after demand for payment by the Bank has been made) due or owing from or incurred by the Chargor (whether actually or contingently and whether solely or jointly and/or severally with any other or others in partnership or otherwise and whether as principal or surety and notwithstanding that the same may at any earlier time have been owing or incurred to some other person and have subsequently become owing to or outstanding in favour of the Bank by whatever means) to the Bank on any banking or other account or upon any discount or in any manner whatsoever including discount commission interest (interest being payable at the Interest Rate such interest to be paid on the Interest Dates and to be compounded with rests on such Interest Dates in the event of its not being duly or punctually paid) and all other banking charges and legal administrative and other costs charges and expenses (on a full indemnity basis) which the Bank



may charge or incur in respect of any of the foregoing matters or the creation protection or enforcement of the security constituted by or pursuant to this Mortgage Debenture and a reasonable fee for any work undertaken by the Bank in relation to such enforcement; and

(ii) interest on such moneys and liabilities payable as provided for by Clause 2.2 below

and the expression "Secured Obligations" shall include all other moneys for the time being payable under or secured by this Mortgage Debenture and the whole or any part or parts of such moneys.

1.1.15 "the Surety" means the provider of any guarantee mortgage or other security or any contractual or other right which the Bank may at any time have in relation to the Secured Obligations and shall include the Surety's successors in title and if the term includes more than one person it shall be construed as referring to all or any one or more of those persons and the obligations of the Surety shall be both joint and several.

1.1.16 "the Tenancies" means each and all tenancies (if any) howsoever created existing at the date hereof and in respect of which details have been given prior to the date hereof by the Chargor to the Bank in writing together with each and all tenancies (if any) created during the continuation of this security by or with the consent of the Bank in accordance with the provisions of this Mortgage Debenture.

1.2 Section 61 of the Law of Property Act 1925 shall apply in the interpretation of this Mortgage Debenture.

1.3 Reference to a Clause Sub-clause or Schedule shall mean and refer to a Clause Sub-clause or Schedule of this Mortgage Debenture unless otherwise stated.

1.4 The clause headings do not affect the interpretation or construction of this Mortgage Debenture.

1.5 Any reference in this Mortgage Debenture to any statute (including the Planning Acts) shall include reference to any further statute for the time being in force amending replacing modifying or supplementing such statute and all regulations instruments and orders made under such statute or further statute and all notices served thereunder.

1.6 Except where otherwise expressly provided the scope of each part of the Mortgaged Property shall not in any way be limited or restricted by reference to or inference from the description of any other such part.

## **2. COVENANTS TO PAY AND CHARGING PROVISIONS**

2.1 The Chargor covenants with the Bank that the Chargor will as and when the same are or shall become due for payment or discharge in accordance with any agreement in writing between or binding on the Chargor and the Bank or in default of such agreement on demand pay to the Bank and discharge the Secured Obligations.

2.2 The Chargor shall pay interest at the Interest Rate on the Secured Obligations so due (whether before or after any judgement which may be recovered therefor) upon the Interest Dates from the due date for payment of such Secured Obligations such interest to be compounded (both before and after any demand or judgement) with rests on such Interest Dates or as the Bank may otherwise determine in the event of its not being duly and punctually paid.

3. With full title guarantee and without the benefit to the Chargor of s6(2) Law of Property (Miscellaneous Provisions) Act 1994 the Chargor mortgages and charges with payment to the Bank of the Secured Obligations (subject to the Tenancies and the Prior Charge):

3.1 By way of Legal Mortgage all that Mortgaged Property referred to in Part I and Part 2 of the

#### First Schedule.

- 3.2 By way of first fixed mortgage by assignment subject to reassignment on redemption all that Mortgaged Property referred to in Part 3 of the First Schedule.
- 3.3 By way of first fixed charge all that Mortgaged Property referred to in Parts 4 to 9 of the First Schedule.
- 3.4 By way of first floating charge all the Chargor's undertaking and all its property and assets (including without prejudice to the generality of the foregoing stock in trade heritable property and assets in Scotland) whatsoever and wheresoever present and future if and in so far as the charges therein or on any part or parts thereof herein contained shall for any reason be ineffective as fixed charges.
- 3.5 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to the floating charge created by this Mortgage Debenture.

#### **4. CHARGOR'S COVENANTS**

- 4.1 The Chargor covenants with the Bank at all times during the continuance of this Mortgage Debenture to observe and perform firstly the obligations and stipulations set out in Clauses 4.2. to 4.9. inclusive in relation to the Mortgaged Property referred to in Part 1 and Part 2 inclusive of the First Schedule and the obligations and stipulations set out in Clauses 4.10. to 4.18. inclusive in relation to the whole of the Mortgaged Property.
- 4.2 To put and keep the Mortgaged Property in good and substantial repair and decorative condition and cleansed and when appropriate rebuilt refurbished and renewed and without delay to comply with the Bank's requirements in making good any defect or want of repair in the Mortgaged Property.
- 4.3 To pay and keep the Bank and any Receiver appointed by it and their respective employees and agents (as a separate covenant with each such person) indemnified against all rates taxes duties charges assessments rent and outgoings (whether parliamentary parochial local or of any other description) which now or at any time are assessed charged or imposed on or in respect of the Mortgaged Property or the owner occupier or receiver of the Mortgaged Property and on demand to produce to the Bank the receipt for any such payment.
- 4.4 To observe and perform and to ensure the observance and performance by any other person or persons at any time occupying the Mortgaged Property of all restrictive and other covenants which now or at any time may affect the Mortgaged Property and all obligations on the part of the Chargor to be observed and performed in relation to the Tenancies and the Lease and forthwith upon receipt of any notice under section 146 of the Law of Property Act 1925 or otherwise from any landlord or superior landlord forward the same or a true copy thereof to the Bank.
- 4.5
- 4.5.1 To insure and keep the Mortgaged Property insured in the joint names of the Chargor and the Bank or with the interest of the Bank endorsed on the policy or policies or noted as the Bank may require in an insurance office or offices and (unless deposited with a prior mortgagee at the date hereof and for as long as it remains the prior mortgagee or unless the insurance to which such policy or policies relate and which was approved by the Bank was effected by a landlord with the respective interests of the Bank and the Chargor endorsed or noted thereon) to deposit with the Bank such policies as may be required by the Bank and to insure through an agency approved by the Bank against loss or damage by fire storm tempest flood lightning aircraft impact riot civil commotion malicious damage and such other risks (if any) as the Bank may from time to time require for a sum equal to the full reinstatement value (as determined by or on behalf of the Bank) of the Mortgaged Property from time to time (including proper provision for demolition

charges and professional fees and where appropriate three years loss of rent receivable under the Tenancies and three years payment of rent under the Lease) and to effect such other insurances as the Bank may in its absolute discretion from time to time require.

4.5.2 Duly and punctually (as the case may be) to pay or procure the payment of all premiums and other monies necessary for effecting and maintaining the insurance of the Mortgaged Property immediately upon such premiums or other monies becoming due and on demand to produce to the Bank the policy or policies of such insurance and a receipt for every such payment.

4.5.3 Subject to any prior rights under the Prior Charge and the Lease to apply or cause the application of all monies becoming payable under any insurance in respect of the Mortgaged Property (whether or not effected pursuant to this Clause 4.5.) either in making good the loss or damage in respect of which the money became payable or if the Bank in its discretion so requires and the provisions of the Prior Charge and the Lease permit in or towards the discharge of the Secured Obligations.

#### 4.6

4.6.1 Not without the Bank's prior written consent to exercise the powers of leasing agreeing to lease and accepting surrenders of leases and agreements for lease conferred on the Chargor by Sections 99 and 100 of the Law of Property Act 1925 or to vary or permit the assignment or underletting of the Tenancies and not to permit any parting with or sharing of the possession or occupation of the Mortgaged Property.

4.6.2 In the event of the Bank consenting either to the grant of any new lease or underlease or agreement for lease or underlease of the Mortgaged Property or to the alteration or assignment of the Tenancies to deliver to the Bank a duly completed and stamped counterpart lease or agreement for lease or deed of variation or a certified copy of a Deed of Assignment or Transfer or Underlease (as the case shall require).

4.6.3 To deliver to the Bank and verify in such manner as the Bank may require details of firstly the Tenancies and secondly any persons occupying the Mortgaged Property under the Tenancies or otherwise.

4.6.4 To procure the performance and observance by each and every occupier of the Mortgaged Property under the Tenancies of the covenants on the part of the Chargor and the conditions herein contained insofar as the same affect or relate to the said occupiers or should in the opinion of the Bank for the better protection of the Bank's security constituted by or pursuant to this Mortgage Debenture be observed and performed by the said occupiers.

#### 4.7

4.7.1 Not to do or permit any act to be done in upon or in respect of the Mortgaged Property resulting in any waste spoil or destruction and not without the prior written consent of the Bank to make or permit any material alteration or addition (whether structural or otherwise) whatsoever to the Mortgaged Property and in the event of the Bank giving such consent to carry out such works in accordance with the provisions and conditions of the Bank's consent and to the satisfaction of the Bank.

4.7.2 Not without the prior written consent of the Bank (and then only on such terms and conditions as the Bank may specify) to sever or remove from the Mortgaged Property any trade or other fixtures fixed plant and machinery for the time being thereon except for the purpose of renewing or replacing the same by trade or other fixtures or fixed plant and machinery of equal or greater value.

#### 4.8

4.8.1 If at the date of this Mortgage Debenture the Mortgaged Property is not registered under the Land Registration Acts 1986 to 2002 not to cause or allow any person firm or company to be registered as registered proprietor of the Mortgaged Property without the previous written consent of the Bank and that any costs incurred by the Bank in entering a caution against such registration shall be deemed to be costs

properly incurred by the Bank under this Mortgage Debenture.

4.8.2 Upon its acquisition after the execution of this Mortgage Debenture of any freehold leasehold or other immovable property wheresoever situate or of any estate or interest therein to give the Bank forthwith written notice of such acquisition.

#### 4.9

4.9.1 Within seven days of receipt by the Chargor of any notice or order or proposal for a notice or order given issued or made by any planning local or other public authority or body or any person whatsoever whether made under the Planning Acts or otherwise and which in any way relates to or affects the Mortgaged Property to give full particulars thereof to the Bank and if so required by the Bank to produce to the Bank the said notice order or proposal and at the Chargor's expense to take all necessary steps to comply with the same without delay and at the request of the Bank to make or concur with the Bank in making any objections representations or appeals which the Bank may deem expedient or necessary against any such notice order or proposal.

4.9.2 In the event that the Chargor wishes to carry out any development of the Mortgaged Property or to erect make or maintain any building or make any erection improvement material change addition or alteration on or to the Mortgaged Property or to make any material change in the user of the Mortgaged Property the Chargor shall not do so without:

- (i) The prior written consent of the Bank; and
- (ii) Duly making an application for and receiving and complying in all respects with any necessary permission and consent from the local planning or other authority under the Planning Acts; and
- (iii) Giving to the Bank written notice of any such permission and consent and any conditions contained in such permission and consent within seven days of receipt of the same by the Chargor and obtaining the Bank's written approval (which may be withheld) of the terms and conditions of any such permission and consent; and
- (iv) Observing and performing or causing to be observed and performed all the provisions and requirements of the Planning Acts and all other pertinent statutes.

#### 4.10

4.10.1 At all times duly and punctually to pay all interest and other monies becoming payable under the Prior Charge (if any) and to observe and perform the Chargor's covenants and obligations contained therein.

4.10.2 Not without the previous written consent of the Bank to create or permit to subsist or arise any mortgage legal charge further charge debenture deposit of deeds pledge lien or other encumbrance or security whatsoever (save a lien arising by operation of law in the ordinary course of business) on or in respect of the Mortgaged Property.

4.10.3 Not to convey assign transfer or otherwise dispose of the Mortgaged Property in such manner that the Mortgaged Property comprised in such conveyance assignment transfer or disposal remains subject to this Mortgage Debenture.

4.11 At the Chargor's cost to comply and effect active compliance in all respects with the provisions of all statutes from time to time in force and which affect or relate in any way to the Mortgaged Property or anything done by the Chargor or any occupier or occupiers in on or in relation to the Mortgaged Property.

4.12 Duly to observe and perform the provisions of every facility letter and/or loan agreement which has been or at any time during the continuance of this Mortgage Debenture may be issued by the Bank to the Chargor or entered into by or otherwise binding on the Bank and the Chargor.

#### 4.13

4.13.1 (Without prejudice to Clause 4.5. to insure and keep the Mortgaged Property insured in the joint names of the Chargor or the Bank or with the interest of the Bank endorsed on the policy or policies or noted as the Bank may require in such manner and against such risks and for such value as the Bank may in its absolute discretion from time to time require and duly and punctually (as the case may be) to pay or procure the payment of all premiums and other monies necessary for effecting and maintaining the said insurances immediately upon such premiums or other monies becoming due and on demand to produce to the Bank the policy or policies of such insurance and a receipt for every such payment and further to apply or cause the application of all monies becoming payable under any such insurance in or towards the discharge of the Secured Obligations or in such manner as the Bank in its absolute discretion may require.

4.13.2 To carry on and conduct the business of the Chargor in a proper and efficient manner and not to make any material alteration to the nature of such business.

4.13.3 To keep the Chargor's books of account and to prepare its balance sheets and profit and loss accounts in accordance with good accounting practice consistently applied.

4.13.4 To procure the delivery to the Bank in respect of the Chargor and any holding or subsidiary companies (within the definitions contained in Section 736 of the Companies Act 1985) of the Chargor as soon as practicable and within one hundred and fifty days of the close of each accounting period thereof copies of the audited balance sheet or sheets as at the end of such period and the audited profit and loss account or accounts for such period together with the directors' and auditors' reports

4.13.5 If so required by the Bank to submit to the Bank regularly copies of all management and/or monthly accounts of the Chargor.

4.13.6 At all times to comply with any conditions attaching to any consent or authority obtained from the Bank of England or from any local or other authority or government department.

4.13.7 Not to remove sell transfer assign lease or otherwise dispose of the whole or any material part of the Chargor's undertaking or assets or any interest therein or contract to do so except by way of sale at full value in the ordinary and usual course of trade as transacted at the date hereof.

4.13.8 Not to create any guarantee or indemnify or give security for any debt or obligation of any person without the Bank's consent.

4.13.9 Not to enter into any commitment (including without limitation hire purchase or credit sales) which the Chargor would not in the opinion of the Bank be able to fulfil without prejudicing its capacity to discharge its then existing obligations.

4.13.10 Not to give any discount (other than normal trade discount) or to make any loan or advance or provide any credit (other than normal trade credit).

4.13.11 To give to the Bank such information relating to the Chargor's affairs and assets and the affairs and assets of any holding or subsidiary companies (within the definitions contained in Section 736 of the Companies Act 1985) of the Chargor as the Bank may from time to time require and in particular to permit the Bank and its authorised representatives to inspect and take copies of the books and records of the Chargor or any such parent or subsidiary company.

#### 4.14

4.14.1 To pay into its account or accounts with the Bank (or into such account or accounts as the Bank may stipulate whether or not being an account or accounts in the name of the Chargor) all monies which the Chargor may receive in respect of its book or other debts or monetary claims or choses in action and all licence fees royalties and other monies (whether in the nature of income or capital) deriving from the Intellectual Property.



4.14.2 Not at any time during the continuance of this Mortgage Debenture without the prior written consent of the Bank to or agree to sell assign license sub-license discount factor or otherwise dispose of or deal in any other way with such debts or claims or choses in action licence fees royalties or other monies otherwise than by getting in the same and making payment thereof into such account or accounts. Without prejudice to the generality of the foregoing the Chargor shall not at any such time factor or discount any of such debts or claims or enter into any agreement for such factoring or discounting.

4.15 Forthwith on demand to execute in favour of the Bank or as the Bank shall direct such further legal or other assignments mortgages securities or charges agreements or other legal documentation as the Bank shall in its absolute discretion require of the Mortgaged Property and any property vested in any holding or subsidiary companies (within the definitions contained in Section 736 of the Companies Act 1985) of the Chargor further to secure the Secured Obligations such assignments mortgages securities or charges agreements or other legal documentation to be prepared on behalf of the Bank at the cost of the Chargor and to be in such form as the Bank shall in its absolute discretion require and the Chargor will at any time if and when required by the Bank give notice to such parties as the Bank may require of the charges hereby effected and any such further legal or other assignments mortgages securities or charges agreements or other legal documentation and will take such other steps as the Bank may require to perfect all or any of the same.

4.16 That every covenant restriction condition and obligation on the part of the Chargor contained in Clauses 4. 1. to 4.15. inclusive shall be observed by any holding and subsidiary companies (within the definitions contained in Section 736 of the Companies Act 1985) of the Chargor as if a reference to the Chargor was a reference to the said parent and subsidiary companies.

4.17

4.17.1 To keep the Bank and any Receiver appointed by it and their respective employees and agents (as a separate covenant with each such person) fully and effectually indemnified (on a full indemnity basis) from and against all actions proceedings costs claims charges and demands either arising under the Planning Acts and all other statutes or whatsoever occasioned by any breach or non observance of any of the covenants or stipulations on the part of the Chargor contained in this Mortgage Debenture.

4.17.2 To reimburse the Bank for all costs charges and expenses (on a full indemnity basis) in relation to the creation continuance preservation enforcement and discharge of the security constituted by or pursuant to this Mortgage Debenture including all costs charges and expenses relating to the preparation of this Mortgage Debenture and the maintenance and protection of the Mortgaged Property or the performance of the Chargor's obligations hereunder or under any other agreement in writing between or binding on the Chargor and the Bank such costs charges and expenses being deemed to be properly incurred by the Bank under this Mortgage Debenture.

4.18

4.18.1 To obtain all requisite Environmental Licences applicable to the Mortgaged Property and comply with the terms and conditions of the same.

4.18.2 To comply with all Environmental Laws applicable to the Mortgaged Property and not permit a contravention of the same.

4.18.3 To notify the Bank of the receipt of and content of all claims notices or other communication in respect of any alleged breach of any Environmental Law or the terms and conditions of any Environmental Licences which may if substantiated have a material adverse effect on the market value of the Mortgaged Property and shall forthwith take such steps as the Bank may direct to remedy and/or cease the continuation of any such alleged breach.

4.18.4 To promptly pay all fees and other charges in respect of any Environmental Licence applicable to the Mortgaged Property.

4.18.5 Forthwith notify the Bank of the receipt of and the contents of any notices or other communication varying or suspending any Environmental Licence relating to the Mortgaged Property and forthwith take such steps as the Bank may direct to re-instate in full force and effect any Environmental Licence so varied or suspended.

4.18.6 Forthwith supply the Bank with copies of any environmental reports audits or studies undertaken in relation to the Mortgaged Property.

## **5. PROVISIONS RELATING TO THE PRIOR CHARGE (IF ANY)**

5.1 In the event of any steps or proceedings being taken to exercise or enforce any powers or remedies conferred by this Mortgage Debenture or the Prior Charge against the Mortgaged Property the Bank may at its absolute discretion redeem the Prior Charge or procure the transfer thereof to the Bank and all principal money interest costs charges and expenses of and incidental to such redemption or transfer shall be deemed to be properly incurred by the Bank under this Mortgage Debenture.

5.2 Without prejudice to its rights to obtain a transfer or redemption of the Prior Charge the Bank may pay to any person in whom the Prior Charge may from time to time be vested (whether such payment be in consideration of such person refraining from enforcing his or her security or otherwise) any principal money interest or other money secured by or payable in connection with the Prior Charge or any proceedings relating to the Prior Charge and all sums incurred or expended by the Bank under this power shall be deemed to have been properly incurred by the Bank under this Mortgage Debenture.

5.3 Any statements or accounts produced to the Bank by or on behalf of any person in whom the Prior Charge may for the time being be vested and produced in relation to the redemption or transfer of or the payment of any sum or sums by the Bank in connection with the Prior Charge may be settled and passed by the Bank and all statements and accounts so settled and passed shall as between the Bank and the Chargor be binding on the Chargor as conclusive evidence of the amount or amounts stated in such statements or accounts.

## **6. ENFORCEMENT PROVISIONS**

### **6.1**

6.1.1 The Bank shall be entitled at any time (either before or after demand has been made by the Bank for payment of any of the moneys hereby secured) by notice in writing to the Chargor to convert the floating charge created by Clause 3.4 above into a fixed charge affecting all the property and assets which for the time being are the subject of such floating charge or as the case may be such of the said property and assets as are specified by such notice.

6.1.2 On the happening of any of the events set out in Clause 6.2, the Secured Obligations shall be deemed (without demand) to have become due within the meaning of Section 101 of the Law of Property Act 1925 and shall become automatically and immediately payable by the Chargor to the Bank.

6.2 The events referred to in Clause 6.1.2, are:

6.2.1 There is any default in the payment of the Secured Obligations immediately following upon a demand by the Bank for the same; or

6.2.2 There is any default in the payment on the due date for such payment of any interest due under this Mortgage Debenture or in the payment of any other sum or sums payable from time to time under this Mortgage Debenture; or

6.2.3 There is any other breach of the covenants or of the obligations on the Chargor's part or on the Surety's part contained in this Mortgage Debenture or any breach of the covenants and obligations on the Chargor's part contained in or relating to the Lease the Prior Charge or the Tenancies or there is any breach of any covenants whether positive or restrictive to which the Mortgaged Property is subject; or

6.2.4 A prior or subsequent mortgagee or chargee or debenture holder or trustee enters into possession of the Mortgaged Property or exercises or purports to exercise enforcement of such security or exercises any power or powers relating to such enforcement including the appointment of a receiver or administrator; or

6.2.5 There is either

(i) any default in or breach of the observance or the performance of the covenants obligations and stipulations on the Chargor's part or the Surety's part contained in this Mortgage Debenture or in any other document between the Chargor or the Surety and the Bank or

(ii) the happening of any matter specified for the purposes of this Clause 6.2. in the provisions of any facility letter issued by the Bank to the Chargor or any loan or other agreement (including without limitation any guarantee mortgage or other security) entered into by the Bank and the Chargor and/or the Surety or any facility letter or loan or other agreement (including without limitation and guarantee mortgage or other security); or

6.2.6 Any execution distraint or distress is levied or enforced against any property or other assets of whatever nature of the Chargor or the Surety; or

6.2.7 The Chargor or the Surety ceases or threatens to cease carrying on in business; or

6.2.8 A petition is presented for a bankruptcy order to be made against the Surety (being or including an individual) or the Surety is insolvent or stops or threatens to stop payment of his debts generally or the Surety makes or seeks to make any arrangements or composition with his creditors (whether under Part VIII of the Insolvency Act 1986 or otherwise); or

6.2.9 An encumbrancer takes possession or a receiver (whether administrative or otherwise) is appointed of any of the assets or undertaking of the Chargor or the Surety (whether an individual or a body corporate) or a notice to appoint or a notice of intention to appoint an administrator under Schedule B1 to the Insolvency Act 1986 is issued by the Chargor or the Surety or its or their directors or a notice of appointment of an administrator is issued by the holder of a qualifying floating charge under such schedule to such Act or a petition or application is presented or made for the appointment of an administrator in relation to the Chargor or the Surety (being a body corporate) under any laws relating to insolvency or liquidation; or

6.2.10 A petition is presented or an order is made or an effective resolution is passed for the winding up of the Chargor or the Surety (being a body corporate) or the Chargor or the Surety is insolvent or stops or threatens to stop payment of its debts generally or is deemed unable to pay its debts (whether within the meaning of Section 123 of the Insolvency Act 1986 or otherwise) or the directors of the Chargor or the Surety become obliged to convene a meeting pursuant to Section 142 of the Companies Act 1985 or the Chargor or the Surety makes or seeks to make any arrangement or composition with its creditors or a proposal is issued or the Chargor or Surety becomes subject to any voluntary arrangement (whether under Part I of the Insolvency Act 1986 or otherwise) or the directors of the Chargor or Surety take steps to obtain a moratorium (whether pursuant to the Insolvency Act 2000 or otherwise) otherwise than in connection with a winding up for the purpose of reconstruction or amalgamation the terms of which are previously approved in writing by the Bank; or

6.2.11 Any judgement against the Chargor or the Surety for money remains unsatisfied for seven days from the date of judgement; or



6.2.12 An order is made for the compulsory acquisition of the Mortgaged Property; or

6.2.13 Control (as defined by Section 840 of the Income and Corporation Taxes Acts 1988) of the Chargor is acquired by any person or group of connected persons not having control of the Chargor at the date of this Mortgage Debenture unless the prior written consent of the Bank shall have been obtained; or

6.2.14 In the reasonable opinion of the Bank any act or omission of or the financial standing and position of the Chargor or the Surety is likely to be prejudicial to the Bank or the Chargor's or the Surety's ability to perform their respective obligations to the Bank or cause the Bank's security hereunder to be prejudiced; or

6.2.15 Any of the events set out in this Clause 6.2. where applicable occur in relation to any holding or subsidiary companies (within the definitions contained in Section 736 of the Companies Act 1985) of the Chargor or the Surety the term "the Chargor" and "the Surety" being deemed for the purpose of this Clause 6.2. where the context admits to include any such holding or subsidiary companies

6.3 The Bank's powers of enforcement of the security constituted by or pursuant to this Mortgage Debenture:

6.3.1 shall become immediately exercisable on the occurrence of any of the events specified in Clause 6.2.

6.3.2 shall be exercisable with the benefit of the powers and remedies conferred on mortgagees by Section 101 of the Law of Property Act 1925 but without the restrictions imposed by Section 103 of the Law of Property Act 1925.

6.3.3 shall be as specified in Clause 6.4.

6.4 The Bank's powers of enforcement are:

6.4.1 To exercise the statutory powers of leasing conferred on the Bank which shall be extended so as to authorise the Bank to let or demise or agree to let or demise the Mortgaged Property to such person or persons for such terms of years or for such tenancy at such rent with or without a premium and on such general terms as the Bank in its absolute discretion may decide and to accept surrenders of leases or grant options as the Bank shall think expedient and without the need to observe any of the provisions of Section 99 and 100 of the Law of Property Act 1925.

6.4.2 To appoint an Administrator or Administrators jointly severally or jointly and severally (as the Bank may specify in the appointment) and to the extent permitted by law similarly to remove any administrator so appointed and appoint another or others in his or their place (for the purposes of which upon the occurrence of any of the events specified in clause 6.2 the floating charge in this Mortgage Debenture shall become immediately enforceable).

6.4.3 To appoint a Receiver or to act in the case of two or more Receivers jointly severally or jointly and severally (as the Bank may specify in the appointment) and to the extent permitted by law similarly to remove any Receiver so appointed and appoint another or others in his or their place with all the powers conferred on receivers appointed under the Law of Property Act 1925 with the power to exercise all the statutory incidents of such power and (so that the conferring on him by this Mortgage Debenture or otherwise of specific powers shall not limit any of the powers deemed by virtue of Section 42(1) of the Insolvency Act 1986 or by the Law of Property Act 1925 to have been hereby conferred on him) with all other powers set out in Clauses 6.6. and 6.7.

6.4.4 To sell the Mortgaged Property either in the same manner and extent as if the sale were under the power of sale conferred by the Law of Property Act 1925 or in the name of the Chargor or such other manner as the Bank shall decide whether the Bank shall be in possession of the Mortgaged Property or not and to exercise all the statutory incidents of such power of sale.

6.4.5 To exercise such power of sale whether the Mortgaged Property is discharged from or subject to the Prior Charge (any sale subject to the Prior Charge being upon such terms of indemnity against the Prior Charge as the Bank may think fit) and to exercise such power of sale at such price payable in such manner (whether with or without interest or by instalments over any period or otherwise) as the Bank may think fit.

6.5 In the case of any exercise or purported exercise by the Bank of its powers of enforcement under this Mortgage Debenture every purchaser (as defined by Section 205 of the Law of Property Act 1925) or any person dealing with the Bank or its delegate or any Receiver appointed hereunder following such exercise or purported exercise shall be entitled and bound to assume without any enquiry that one or more of the events specified in Clause 6.2. has occurred and that the Bank's powers of enforcement under this Mortgage Debenture have arisen and become exercisable and have been properly exercised.

6.6 Any Receiver appointed by the Bank under this Mortgage Debenture shall at all times have power in the name of or on behalf and at the cost of the Chargor or at the option of the Receiver (but only with the specific approval in writing of the Bank) in the name of the Bank or at the option of the Receiver in the name of the Receiver (and in any case notwithstanding any administration or liquidation of the Chargor) to do or omit to do anything which the Chargor could do or omit to do and (in addition) to exercise mutatis mutandis all or any of the powers specified in schedule I to the Insolvency Act 1986 (whether or not such Receiver is an administrative receiver) and in particular (but without prejudice to the generality of the foregoing) any Receiver shall have power:

6.6.1 To deal with take possession of collect and get in any of the Mortgaged Property; and

6.6.2 To enter upon and take possession of the Mortgaged Property to complete any building works thereon which may be unfinished to carry out any demolition furnishing or development of the Mortgaged Property to do any repairs or make any structural alterations or improvements to the Mortgaged Property and to do any other act in connection with the Mortgaged Property (including the acquisition of adjoining or nearby land interests or rights for the benefit of the Mortgaged Property) which the Receiver may consider fit and to obtain in respect thereof all necessary consents and permissions under the Planning Acts and otherwise; and

6.6.3 Without the need to observe any of the provisions of Sections 99 and 100 of the Law of Property Act 1925 to let or concur in letting the Mortgaged Property on such tenancies at such rents (whether with or without any fine or premium) and on such general terms and conditions as the Receiver shall think fit and surrender or concur in surrendering and to accept surrenders or grant renewals of such lettings or of the Tenancies on any terms whatsoever; and

6.6.4 To make any allowances to any present or future tenant or occupier of the Mortgaged Property and to vary in any way the terms of the Tenancies or any future lettings to which the Mortgaged Property becomes subject; and

6.6.5 Forthwith and without the restrictions imposed by Section 103 of the Law of Property Act 1925 to sell or concur in the selling of the Mortgaged Property (where necessary obtaining the leave of the Court) and to carry such sale into effect by conveying transferring or assigning in the name and on behalf of the Chargor and to accept as consideration for any such sale cash debentures or other obligations shares stock or other valuable consideration which may be payable in a lump sum or by instalments spread over such period as the Bank may consider fit and so that any consideration received or receivable shall ipso facto forthwith be and become charged with the payment of all moneys and liabilities and other sums secured hereby. Plant machinery and other fixtures may be severed and sold separately from the premises containing them without the Chargor's consent being obtained thereto; and

6.6.6 To enter into any agreement or make any arrangements in respect of or to compromise any claim or claims of or against the Mortgaged Property or arising out of the Mortgaged Property which the Receiver shall deem expedient; and

6.6.7 To effect all repairs renewals and any improvements of the Chargor's plant machinery and

effects and effect any such indemnity or other insurance (or maintain the same) in respect of the Receiver's acts or in relation to the Mortgaged Property as the Receiver may deem fit; and

6.6.8 To make any payments or incur any expenditure which the Bank and/or the Receiver is or are expressly or impliedly authorised by this Mortgage Debenture to make or incur (including any payments or expenditure under the Lease the Prior Charge and the Tenancies); and

6.6.9 To employ or appoint for all purposes in connection with the powers specified in this Clause 6.6. any Solicitors Architects Surveyors Agents Contractors Builders Workmen and others on such terms and conditions as the Receiver shall think fit and to purchase all such building and other materials and to appoint and remove such managers and sub-managers and to hire and discharge such servants attendants and others as the Receiver shall consider necessary; and

6.6.10 To carry on manage develop or diversify or concur in the carrying on managing developing or diversifying of the whole or any part of the Chargor's business including the power where the Chargor has one or more subsidiaries of supervising controlling and financing such subsidiary or subsidiaries and its or their business or businesses and the conduct thereof;

6.6.11 To borrow any moneys required for the performance of his powers and duties with power for him to secure by mortgage (either with the consent of the Bank in priority or *pari passu* or otherwise subsequent to the security constituted by or pursuant to this Mortgage Debenture) or otherwise as he shall think fit incurring such a rate of interest and such provisions for repayment and otherwise as he shall think fit; and

6.6.12 To require the Directors of the Chargor to make calls upon the holders of the Chargor's share capital in respect of any such capital of the Chargor which remains uncalled and to enforce payment of calls by taking proceedings in the name of the Chargor or in his own name; and

6.6.13 To take or defend proceedings in the name of the Chargor including (without limitation) proceedings for the compulsory winding-up of the Chargor and proceedings for directions under Section 35 of the Insolvency Act 1986; and

6.6.14 To do all such other things and acts as may be considered to be incidental or conducive to all or any of the above matters and powers or to be conducive to the realisation of any of the security constituted by or pursuant to this Mortgage Debenture; and

6.6.15 To manage the Mortgaged Property and to carry on and conduct all such services which the Receiver may deem proper for the efficient management of the Mortgaged Property and generally to manage the Mortgaged Property with all such powers and authority as the Bank shall think fit to confer and as though the Bank were the absolute owner of the Mortgaged Property; and

6.6.16 To promote the formation of a subsidiary or subsidiaries of the Chargor with a view to such subsidiary or subsidiaries purchasing leasing licensing or otherwise acquiring interests in or the use of all or any of the assets of the Chargor or with a view to such subsidiary or subsidiaries engaging employees or providing management or other services or purchasing or selling agencies or distributors or for any other purpose or function which may be regarded as necessary or appropriate by the Receiver from time to time.

6.6.17 To arrange for such subsidiary or subsidiaries to trade or cease to trade as the Receiver may think fit from time to time.

6.6.18 To arrange for the purchase lease licence or acquisition of all or any of the assets of the Chargor by any such subsidiary or subsidiaries on a basis whereby the consideration may be for cash shares debentures loan stock convertible loan stock or other securities shares of profits or sums calculated by reference to profits or turnover or royalties or licence fees or otherwise howsoever and whether or not secured on the assets of the subsidiary or subsidiaries and whether or not such consideration is payable or receivable in a lump sum or at any one time or a number of times or by instalments spread over such period as the Receiver may think fit.

6.6.19 To adopt any contract of employment entered into between the Chargor and any of its employees with such variations to the contract as the Receiver may think fit.

6.6.20 To cause the Chargor to grant such powers of attorney or appoint agents as the Receiver may from time to time think expedient.

6.6.21 Subject to Sub-clause 6.6.5, to exercise all or any of the foregoing powers either in the Receiver's sole name or as duly authorised agent for and on behalf of the Chargor and to exercise such powers in any manner which the Receiver in his absolute discretion deems fit or expedient; and

6.6.22 To charge and be paid such commission and/or other remuneration and expenses (together with VAT if appropriate) as the Bank may consider proper without being limited by the maximum rate specified in Section 109(6) of the Law of Property Act 1925.

## 6.7

6.7.1 Without prejudice to Sub-clause 6.7.6 the powers conferred by Clause 6.6. shall be in addition to the powers conferred on a receiver by the Law of Property Act 1925 and the powers granted by Section 109(8) of the Law of Property Act 1925 in relation to the application of insurance money shall be extended so that the Receiver may apply all money received by him in the payment of the Secured Obligations.

6.7.2 All monies expended by the Receiver including without limitation in connection with any application under Part III of the Insolvency Act 1986 and in defending proceedings brought by any third party impugning the Bank's title to the security created by this Mortgage Debenture or the enforcement or exercise of the rights and remedies of the Bank or of such Receiver hereunder and all commission and/or other remuneration and expenses (together with VAT if appropriate) received by him shall be deemed to have been properly incurred under this Mortgage Debenture.

6.7.3 Without prejudice to Sub-clause 6.7.2, any expense incurred by the Receiver in the exercise of any power conferred on him by this Mortgage Debenture or by any statute may be paid or retained by him out of any monies coming into his hands in his capacity as such Receiver and shall be in addition to any commission or other remuneration payable to him for acting as such Receiver.

6.7.4 Without prejudice to the powers granted by Clause 6.6, the Receiver shall be deemed to be the duly authorised Agent of the Chargor for all purposes and the Chargor shall be solely responsible for the acts defaults and remuneration of the Receiver and the Bank shall not be under any duty or liability in relation to the Receiver's acts defaults remuneration or otherwise.

6.7.5 Neither the Bank nor the Receiver shall by virtue of the Bank or the Receiver entering into possession of the Mortgaged Property be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss realisation or for any default or omission for which a mortgagee in possession or an owner or occupier might be liable.

6.7.6 All money received by the Receiver shall be applied first in payment of the remuneration of the Receiver and the costs of realisation including all costs and expenses of or incidental to any exercise of any power hereby conferred secondly in providing for the matters specified in the first three paragraphs of sub-section 8 of Section 109 of the Law of Property Act 1925 and thirdly in or towards the payment of any preferential debts which are by statute made payable in preference to the money hereby secured to the extent to which such preferential debts are made so payable and fourthly (when so required) in or towards satisfaction of the Secured Obligations and all the foregoing provisions shall take effect as and by way of variation and extension of the provisions of Sections 99 to 109 inclusive of the said Act which provisions so varied and extended shall be regarded as incorporated herein.

6.7.7 Only money actually paid by the Receiver to the Bank shall be capable of being applied by the Bank in or towards satisfaction of the Secured Obligations.



## **7. THE BANKS FURTHER POWERS**

### **7.1**

7.1.1 The Bank and its servants shall have the right to enter the Mortgaged Property at all times during the continuation of this Mortgage Debenture for all purposes in connection with this Mortgage Debenture including without limitation for the purpose of establishing whether or not the Chargor is complying with its obligations under this Mortgage Debenture.

7.1.2 If the Chargor shall default in fulfilling the Chargor's covenants obligations and stipulations contained in this Mortgage Debenture the Bank may at the expense of the Chargor for the purpose of protecting the security constituted by or pursuant to this Mortgage Debenture effect all works insurances or other matters and take all other actions and make all payments which the Bank may at its absolute discretion consider necessary and the Bank shall not be deemed thereby alone to have taken possession of the Mortgaged Property and any sum or sums paid by the Bank in connection with such purposes shall be deemed to be properly incurred by the Bank under this Mortgage Debenture.

7.2 The Bank shall be at liberty from time to time to give any such time or indulgence as the Bank shall in its discretion think fit for the payment of any bills of exchange promissory notes or other securities which may have been discounted for or received in account from the Chargor by the Bank or on which the Chargor shall or may be liable as drawer acceptor maker endorser or otherwise to any party or parties and any time which the Bank shall give shall not in any way release the Chargor or affect the security constituted by or pursuant to this Mortgage Debenture.

7.3 In the event of the Chargor incumbering or disposing of the Mortgaged Property the Chargor's then current or loan or discount or other accounts (as the case may be) shall be deemed to have been forthwith closed and all subsequent entries shall be deemed to have been made in a new account or new accounts opened with the Chargor and without prejudice to the rights of the Bank to consolidate all or any of the Chargor's accounts no money paid in or carried to the credit of the Chargor in any such new account shall be appropriated towards or have the effect of discharging any part of the amount due to the Bank on any such closed account.

7.4 In addition and without prejudice to any general lien or similar right which the Bank as bankers may be entitled to at law the Bank may at any time during the continuance of this Mortgage Debenture without notice to the Chargor combine or consolidate all or any of the Chargor's accounts (whether current or loan or discount or otherwise) with any liability to the Bank and set off or transfer any sum or sums standing to the credit of all or any of such accounts in or towards the satisfaction of all or any of the Chargor's liabilities to the Bank on any other account or in any respect whether such liabilities be actual or contingent primary or collateral or joint and/or several.

7.5 The Bank may place and keep to the credit of a suspense account for so long as the Bank may consider fit any monies received under or by virtue of this Mortgage Debenture or any other security without any obligation in the meantime to apply the same or any part in or towards discharge of the Secured Obligations.

7.6 The Bank may at its sole discretion and with or without notice to the Chargor elect to convert all or any part of any sum received by the Bank pursuant to this Mortgage Debenture (in whole or in part) into the currency or currencies of the whole or any part of the Secured Obligations (deducting from the proceeds of the conversion any currency premium or other expense) and the rate of exchange shall be the Bank's spot rate for selling the currency or currencies of the money and liabilities hereunder secured for the currency of the sum received by the Bank hereunder at or about 11.00 a.m. in London on the date that the Bank exercises its right of conversion hereunder.

7.7 Without prejudice to the powers and rights contained in Clause 6.4. in exercising those rights and powers the Bank shall have all the powers which the Receiver if he were appointed would have conferred upon him by Clauses 6.6. and 6.7. or any statute.

## **8. WARRANTIES BY THE CHARGOR**

- 8.1 The Chargor warrants to the Bank in the terms set out in Clauses 8.2. to 8.4. inclusive.
- 8.2 That the Chargor is a limited liability company duly incorporated and not in liquidation administration or other act of insolvency under the laws of its incorporation.
- 8.3 That no consent licence or approval of any local or governmental authority is required in respect of this Mortgage Debenture and that any necessary exchange control consent has been obtained for its creation.
- 8.4 That this Mortgage Debenture does not contravene any of the provisions of the Memorandum and Articles of Association charter or other governing instrument of the Chargor and that the Chargor has been duly authorised by all necessary corporate acts to enter into this Mortgage Debenture and that this Mortgage Debenture constitutes a valid and binding Mortgage Debenture in accordance with its terms.

## **9. POWER OF ATTORNEY**

- 9.1 The Chargor hereby irrevocably appoints the following namely:
- (i) the Bank;
  - (ii) each and every person to whom the Bank shall from time to time have delegated the exercise of the power of attorney conferred by this Clause; and
  - (iii) any Receiver appointed hereunder and for the time being holding office as such jointly and also severally to be the attorney or attorneys of the Chargor and in its name and otherwise on its behalf and as its act and deed to sign seal execute deliver perfect and do all deeds instruments acts and things which may be required (or which the Bank or any Receiver appointed hereunder shall consider requisite) for carrying out any obligation imposed on the Chargor by or pursuant to this Mortgage Debenture for conveying or transferring any legal estate or other interest in land or other property or otherwise howsoever and carrying any sale lease or other dealing by the Bank or such Receiver into effect for getting in the Mortgaged Property and generally for enabling the Bank and the Receiver to exercise the respective powers conferred on them by or pursuant to this Mortgage Debenture or by law. The Bank shall have full power to delegate the power conferred on it by this Clause but no such delegation by the Bank to any person shall preclude the subsequent exercise of such power by the Bank itself or any subsequent delegation thereof by the Bank to any other person and the Bank may revoke any such delegation at any time.
- 9.2 The Chargor shall ratify and confirm all transactions entered into by the Bank or such delegate of the Bank or such Receiver in the exercise or purported exercise of the Bank's or such Receiver's respective powers and all transactions entered into documents executed and things done by the Bank or such delegate or such Receiver by virtue of the power of attorney given by sub-clause 9.1 of this Clause.
- 9.3 The power of attorney hereby granted is as regards the Bank its delegates and any such Receiver (and as the Chargor hereby acknowledges) granted irrevocably and for value as part of the security constituted by or pursuant to this Mortgage Debenture to secure proprietary interests of and the performance of obligations owed to the respective donees within the meaning of the Powers of Attorney Act 1971.

## **10. GENERAL PROVISIONS**

10.1 The restriction on the right of consolidating mortgage securities contained in section 93 of the Law of Property Act 1925 shall not apply to this Mortgage Debenture.

10.2 All sums costs charges remuneration and expenses properly incurred under this Mortgage Debenture by the Bank and/or the Receiver and any other monies properly paid by the Bank and/or the Receiver in relation to such costs charges remuneration expenses or otherwise shall be due and payable by the Chargor to the Bank on the date or dates of payment by the Bank and/or the Receiver together with interest thereon at the Interest Rate from the date or dates of payment by the Bank and/or the Receiver until the date of payment by the Chargor and shall be charged on the Mortgaged Property and such charge shall be in addition and without prejudice to any and every other remedy lien or security to which the Bank may as Bankers be entitled at law.

10.3

10.3.1 Any notice or demand by the Bank shall be deemed to have been sufficiently given or made if:

- (i) sent by hand or prepaid letter post to or left at the registered office of the Chargor stated herein or the address of the Chargor last known to the Bank; or
- (ii) sent by telex or facsimile to the last known telex or facsimile number relating to any such address or office.

10.3.2 Any such notice or demand shall be deemed to have been served on the Chargor:

- (i) at the time of delivery or as the case may be at the time it is left at the address referred to above if sent by hand;
- (ii) at the earlier of the time of delivery or 10.00 a.m. on the day after posting (or if the day after posting be a Sunday or any other day upon which no delivery of letters is scheduled to be made at 10.00 a.m. on the next succeeding day on which delivery of letters is scheduled to be made) if sent by prepaid letter post;
- (iii) at the time of transmission if sent by telex or facsimile (and a facsimile shall be deemed to have been transmitted if it appears to the sender to have been transmitted from a machine which is apparently in working order); or
- (iv) on the expiry of 72 hours from the time of despatch in any other case.

10.3.3 Service of legal proceedings in the manner described in Sub-clause 10.3.1(i) above shall be deemed to constitute good service.

10.3.4 Any notice or communication required to be served by the Chargor on the Bank under the terms of this Mortgage Debenture shall be sent by recorded delivery or registered post to the Bank at the address stated herein or at such other address as may be notified in writing by the Bank to the Chargor for this purpose.

10.4 The Bank shall have a full and unfettered right to assign the whole or any part of the benefit of this Mortgage Debenture and the assignees and other successors whether immediate or derivative of the Bank shall be entitled to enforce and proceed upon this Mortgage Debenture in the same manner as if named herein. The Bank shall be entitled to impart any information concerning the Chargor and/or the Mortgaged Property to any such assignee or other successor or any participant or proposed assignee successor or participant including their legal and financial advisors.

10.5 This Mortgage Debenture shall be governed by and construed in accordance with English law and the Chargor hereby irrevocably submits for the benefit of the Bank to the jurisdiction of the English

courts but without prejudice to the Bank's right to pursue its remedies in any other court of competent jurisdiction.

10.6 A Certificate by an officer of the Bank as to the Secured Obligations including without limitation any interest in relation thereto shall be conclusive evidence against the Chargor in any legal proceedings.

10.7 The Bank shall not be liable for any involuntary losses which may occur in the exercise of all or any of the Bank's powers under this Mortgage Debenture.

10.8 The security constituted by or pursuant to this Mortgage Debenture shall not be considered as satisfied or discharged by any intermediate payment of the whole or part of the Secured Obligations but shall continue and be a continuing security to the Bank notwithstanding any settlement or account or other matter or thing whatsoever and shall be in addition to and shall not operate so in any way as to prejudice or affect the security created by any deposit which may already have been made with the Bank of the title deeds relating to the Mortgaged Property or any other security which the Bank may now or at any time hereafter hold for or in respect of the Secured Obligations or any part thereof.

10.9 The Chargor hereby applies to the Chief Land Registrar for a restriction in the following terms to be entered on the Proprietorship Register of the Title or Titles relating to the Mortgaged Property which are now or are hereafter to be registered under the Land Registration Acts 1986 to 2002; "except under an Order of the Registrar no disposition by the Proprietor of the land is to be registered without the consent of the Proprietor for the time being of the charge dated [ ] in favour of Habib Bank Zurich plc referred to in the Charges Register".

10.10 Nothing herein contained shall operate so as to merge or otherwise prejudice or affect any bill note guarantee mortgage or other security or any contractual or other right which the Bank may at any time have for the Secured Obligations or any right or remedy of the Bank thereunder and any receipt release or discharge of the security provided by or of any liability arising under this Mortgage Debenture shall not release or discharge the Chargor from any liability to the Bank for the same or any other money which may exist independently of this Mortgage Debenture nor shall it release or discharge the Chargor from any liability to the Bank under any indemnity in favour of the Bank hereunder.

10.11 Where the security hereby given to the Bank initially take effect as a collateral or further security then notwithstanding any receipt release or discharge endorsed on or given in respect of or under the principal security to which this Mortgage Debenture operates as a collateral or further security the security hereby provided shall in respect of any money or liabilities or other sums which were originally intended to be secured be an independent security for any such money or liabilities or other sums.

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

10.13 Any change in the constitution of the Bank or its absorption of or amalgamation with any other person or the acquisition of all or part of its undertaking by any other person shall not in any way prejudice or affect its or their rights hereunder.

10.14 Notwithstanding anything herein contained all rights attaching to any shares charged by this Mortgage Debenture shall except where the Bank or its nominee is exercising such rights for the purpose of preserving the value of the security constituted by this Mortgage Debenture or for the purpose of realising such security be exercised by the Bank or its nominee in accordance with the Chargor's instructions and in the Chargor's interest.



IN WITNESS of the foregoing provisions the Chargor and the Bank have signed or sealed this Mortgage Debenure as a deed and have delivered it upon its being dated.

For use by  
Companies

SIGNED as a deed on behalf of 312 PROPERTY 01 LTD

Acting by *sole director*  
(Director) and by

*BILAL HASSAN GHAFOR*

(~~Director/Secretary~~)

(~~Director~~)  
in the presence of:

*Witness Signature:*

(~~Director/Secretary~~)

Name of Witness: *S. HEESOM*

Address: *4 BROADWAY  
MANCHESTER  
M35 0DB*

SIGNED AS A DEED by

*ARBAS KHAKI*

and

*SAMIR SHAN*

as duly authorised Attorneys  
for and on behalf of  
HABIB BANK ZURICH plc  
in the presence of

Name of witness

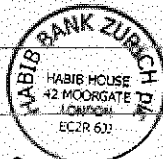
*BILAL UDDIN*

Signature of witness

Address

Occupation

*CREDIT OFFICER*



**RELEASE**

DATE: \_\_\_\_\_ 20 \_\_\_\_\_

The within-named Bank hereby releases the within-defined Mortgaged Property from all moneys secured by and from all claims and demands under the within-written Deed PROVIDED THAT this release shall not discharge the within-written Chargor from any liability to the Bank remaining to be paid or any other security held by the Bank

SIGNED AS A DEED  
AND DELIVERED UPON DATING  
by

\_\_\_\_\_

and

\_\_\_\_\_

SIGNED AS A DEED  
AND DELIVERED UPON DATING  
by

\_\_\_\_\_

and

\_\_\_\_\_

as duly authorised Attorneys  
for and on behalf of  
HABIB BANK ZURICH plc  
in the presence of

Name of witness

\_\_\_\_\_

Signature of witness

\_\_\_\_\_

Address

\_\_\_\_\_

\_\_\_\_\_

Occupation

\_\_\_\_\_

\_\_\_\_\_