



**Registration of a Charge**

Company Name: **PATERNOSTER (EXETER) LIMITED**

Company Number: **09585219**



Received for filing in Electronic Format on the: **30/11/2023**

XCHCW401

**Details of Charge**

Date of creation: **17/11/2023**

Charge code: **0958 5219 0001**

Persons entitled: **ARBUTHNOT LATHAM & CO., LIMITED**

Brief description: **ALL THAT FREEHOLD PROPERTY KNOWN AS PATERNOSTER HOUSE, 182 - 186 FORE STREET, EXETER, EX4 3AX AS THE SAME IS REGISTERED AT THE LAND REGISTRY UNDER TITLE NUMBER DN259330.**

**Contains fixed charge(s).**

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

**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: **THRINGS LLP**



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

Company number: 9585219

Charge code: 0958 5219 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 17th November 2023 and created by PATERNOSTER (EXETER) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 30th November 2023 .

Given at Companies House, Cardiff on 1st December 2023

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 17th November 2023**

**PATERNOSTER (EXETER) LIMITED**

and

**ARBUTHNOT LATHAM & CO., LIMITED**

**LEGAL CHARGE**

**Form of Charge filed at the Land Registry under reference MD756D**

THIS LEGAL CHARGE dated 17th November 2023 is made BETWEEN

- (1) **PATERNOSTER (EXETER) LIMITED** whose registered office is at 2<sup>nd</sup> Floor, Gadd House, Arcadia Avenue, London N3 2JU and whose company registration number is 09585219 ("the Chargor"); and
- (2) **ARBUTHNOT LATHAM & CO., LIMITED** of Arbuthnot House, 7 Wilson Street, London EC2M 2SN ("the Bank" which expression shall include its successors and assignees)

**1. DEFINITIONS AND INTERPRETATION**

**1.1 In this Legal Charge:**

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

'Authority' means any government department local or public authority or statutory undertaking;

'Business Day' means a day on which the relevant London interbank markets are open for dealings between banks;

'Charged Assets' means the property assets debts rights and undertakings which are from time to time charged to the Bank by or pursuant to this Charge and includes any part of or interest therein;

'Debtor' means the Chargor;

'Default Rate' means the default rate specified in any agreement between the Bank and the Chargor pursuant to which this Legal Charge has been entered into and if none is specified means 5% per annum above the base rate from time to time of Arbuthnot Latham & Co., Limited;

'Encumbrance' means any mortgage charge pledge lien assignment hypothecation security interest deferred purchase title retention leasing sale-and-purchase or sale-and-leaseback arrangement preferential right trust arrangement or any right conferring a priority of payment whatsoever over or in any property assets or rights of whatsoever nature and includes any agreement for any of the same;

'Environmental laws' means the common law and all applicable local governmental or quasi-governmental laws rules regulations licences orders permits decisions or requirements concerning discharges of contaminants occupational or public health and safety of the environment and any order injunction judgment declaration notice or demand issued pursuant to any of them;

'Event of Default' means any event set out in Clause 5.2 and any event or circumstance which constitutes an event of default under any other agreement or deed between the Chargor and/or the Debtor and the Bank;

'Insolvency Act' means the Insolvency Act 1986;

'LLP' means any limited liability partnership which under the laws of any jurisdiction has separate legal personality from its partners;

**'L&T (Covenants) Act'** means the Landlord and Tenant (Covenants) Act 1995;

**'Mortgaged Property'** means the freehold and leasehold property of the Chargor referred to in Schedule 1 together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon and all improvements and additions thereto and where the context requires shall mean any part or parts of the Mortgaged Property;

**'Obligor'** means each of the Chargor, and any Debtor;

**'Occupational Leases'** means the leases or underleases to which the Mortgaged Property is for the time being subject;

**'Period'** means the period commencing on the date of this Legal Charge and ending on the date upon which the Bank certifies in writing to the Chargor that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full;

**'Planning Acts'** means any statute for the time being in force relating to town and country planning;

**'Prior Charges'** means the Encumbrances existing at the date of this Legal Charge details of which are set out in Schedule 2 (if any);

**'Receiver'** means any receiver or receiver and manager or administrative receiver appointed by the Bank under or by virtue of this Legal Charge whether alone or jointly with any other person and includes any substitute for any of them appointed from time to time;

**'Rental Income'** means the gross rents and licence fees and other monies receivable now or hereafter at any time by the Chargor in respect of or arising out of the Mortgaged Property or any agreement for lease or otherwise without limitation derived by the Chargor from the Mortgaged Property or otherwise paid to or received by the Chargor in respect of the Mortgaged Property but excluding insurance rents or service charges or the like;

**'Secured Liabilities'** means:

- (a) all indebtedness, liabilities and obligations which are now or may at any time after the date of this Legal Charge be due, owing or incurred in any manner whatsoever to the Bank, by the Debtor whether actually or contingently, and whether solely or jointly with any other person and whether as principal or surety and whether or not the Bank shall have been an original party to the relevant transaction and in whatever currency denominated including all liabilities from time to time issued or incurred by the Bank at the request of the Debtor in connection with foreign exchange transactions, acceptances, discounting or otherwise or under any guarantees, bonds, indemnities, documentary or other credits or any instruments whatsoever and including interest, discount, commissions and any other lawful charges or expenses which the Bank may in the course of its business charge in respect of all such indebtedness liabilities and obligations; and

- (b) all obligations and liabilities of any kind owing now or after the date of this Legal Charge by the Chargor to the Bank under this Legal Charge.

**'Subsidiary'** means a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006

**1.2 In this Legal Charge, unless the context otherwise requires:-**

- 1.2.1 words denoting the singular number only shall include the plural number also and vice versa;
- 1.2.2 words denoting the neutral gender only shall also include the masculine gender and feminine gender and vice versa;
- 1.2.3 references to Clauses and Schedules are to the clauses and schedules to this Legal Charge and references to sub-clauses shall unless otherwise specifically stated be construed as references to the sub-clauses of the Clause in which the reference appears and references to this Legal Charge include its Schedules;
- 1.2.4 clause headings are inserted for ease of reference only and are not to affect the interpretation of this Legal Charge;
- 1.2.5 except to the extent the context otherwise requires any reference in this document to 'this Legal Charge' and any other document referred to in it includes any document expressed to be supplemental to or collateral with or which is entered into pursuant to or in accordance herewith or therewith and shall be deemed to include any instruments amending varying supplementing novating or replacing the terms of any such documents from time to time;
- 1.2.6 references to a person are to be construed to include corporations firms companies partnerships individuals associations states and administrative and governmental and other entities whether or not a separate legal entity;
- 1.2.7 references to any person are to be construed to include references to that person's successors transferees and assigns whether direct or indirect;
- 1.2.8 references to any statutory provision are to be construed as references to that statutory provision as amended supplemented re-enacted or replaced from time to time (whether before or after the date of this Legal Charge) and are to include any orders regulations instruments or other subordinated legislation made under or deriving validity from that statutory provision;
- 1.2.9 the words 'other' and 'otherwise' are not to be construed ejusdem generis with any foregoing words where a wider construction is possible; and
- 1.2.10 the words 'including' and 'in particular' are to be construed as being by the way of illustration or emphasis only and are not to be construed as, nor shall they take effect as, limiting the generality of any foregoing words.

- 1.3 A reference in this Legal Charge to a charge or mortgage of any freehold or leasehold property includes all buildings and all the Chargor's fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery from time to time on such property.
- 1.4 If the Bank reasonably considers that the amount paid by an Obligor or any other person to the Bank in discharge of any of the Secured Liabilities is likely to be avoided or otherwise set aside on the bankruptcy, liquidation or administration of an Obligor or any other person then that amount shall not be considered to have been irrevocably paid for the purposes of this Legal Charge.
- 1.5 Unless expressly provided in this Legal Charge to the contrary, a person who is not a party to this Legal Charge has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Charge. Notwithstanding any term of this Legal Charge the consent of a person who is not a party to this Legal Charge is not required to rescind, terminate or vary this Legal Charge at any time.
- 1.6 1.6.1 this Clause 1.6 shall have application for the avoidance of doubt and where the expression "the Chargor" comprises two or more parties;
- 1.6.2 any representations or statements being made in this Legal Charge in relation to the Chargor shall be construed as representations or statements made separately in relation to each of the parties comprised in such expression and as if the representation or statement was repeated separately in relation to each such party and any charging provision shall relate to property held by either or both of the Chargor; and
- 1.6.3 all of the indebtedness, obligations, covenants, representations, warranties or other obligations given hereunder by the Chargor ("agreed obligations") are given by each party comprised in the expression "the Chargor" severally and also jointly with every other of the Chargor and each Chargor agrees and consents to be bound by the agreed obligations notwithstanding that any other or others of the Chargor which was or were intended to execute this document (or any of the same) may not do so or may not effectually be bound thereby and notwithstanding that any of such agreed obligations may be determined by any such party or may become invalid or unenforceable against that party.
- 1.7 The terms of any other deeds agreements or side letters between the parties hereto are incorporated in this Legal Charge to the extent required to ensure that any disposition of the Charged Assets contained in this Legal Charge is a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- 1.8 This Legal Charge shall take effect as a deed even if a party to it may execute it under hand.
- 2. SECURITY**
- 2.1 The Chargor covenants duly and punctually to pay and discharge to the Bank forthwith on demand any of the Secured Liabilities owing by the Chargor or the Debtor at the time or times when and in the currencies which they become due for payment whether at maturity on acceleration on demand or otherwise.

- 2.2 The Chargor as continuing security for the payment or discharge when due of the Secured Liabilities and all its other obligations under this Legal Charge hereby charges in favour of the Bank with full title guarantee:
- 2.2.1 by way of first legal mortgage the Mortgaged Property subject to (but in the case of properties registered at the Land Registry only to the extent that such are registered or protected on the Register or are overriding interests) and with the benefit of any existing leases rights right of tracing and unpaid vendor's liens and similar and associated rights;
  - 2.2.2 by way of first fixed charge all Rental Income present or future and whether payable now or in the future and the proceeds of any sale lease or other disposition of the Mortgaged Property and all rights and claims of the Chargor against all lessees sub-lessees licensees or occupiers of the Mortgaged Property and all guarantors and sureties for the obligations of any such person or other third parties in relation to the Mortgaged Property now or in the future existing and capable of being satisfied by the payment of money provided that nothing in this sub-clause shall constitute the Bank as a mortgagee in possession;
  - 2.2.3 where the Chargor also owns or is entitled to a share in any company by virtue of the Chargor's interest in the Property, by way of fixed charge all of the Chargor's rights title and interests in and any benefits arising out of each such share; and
  - 2.2.4 if the Chargor is a company or an LLP, by way of first floating charge the undertaking and all other property assets and rights of such person not effectively charged above both present and future and the Bank shall have the power to appoint any one or more persons the Bank thinks fit to be an administrator, and paragraph 14 of schedule B1 of the Insolvency Act shall apply to this floating charge.
- 2.3 The security created by this Legal Charge shall rank subject only to the Prior Charges (if any). The Charge created by Clause 2.2.4 shall (unless otherwise expressly agreed in writing by the Bank) be a first floating charge unless it is converted into a fixed charge pursuant to this Legal Charge or by operation of law.
- 2.4 The Bank may at any time by notice to the Chargor convert the floating charge created by Clause 2.2.4 into a fixed charge as regards any Charged Assets specified in such notice and the Chargor will forthwith execute in respect of the specified Charged Assets a mortgage charge pledge or assignment (as the case may be) of such Charged Assets in favour of the Bank and in such form as the Bank requires.
- 2.5 The floating charge created by Clause 2.2.4 shall automatically (provided that such floating charge shall not automatically be converted into a fixed charge solely by reason of (a) the obtaining of a moratorium under section 1A of the Insolvency Act, or (b) anything done with a view to obtaining such a moratorium) and without notice be converted into a fixed charge in respect of any Charged Assets subject to it:
- 2.5.1 which shall become subject to an Encumbrance; or

- 2.5.2 if and when any person levies or notifies the Chargor that it intends to levy a distress execution sequestration or other process against those Charged Assets; or
  - 2.5.3 if and when the Chargor shall cease to carry on business or to be a going concern; or
  - 2.5.4 if an Event of Default shall take place; or
  - 2.5.5 if any of the Secured Liabilities become due and outstanding prior to their stated maturity; or
  - 2.5.6 if the Chargor shall be in breach of any provision of this Legal Charge or of any agreement containing any terms and conditions of or applicable to the monies obligations and liabilities secured by this Legal Charge and such conversion shall be deemed to occur the instant before such event occurs
- 2.6 In the case of any part of the Charged Assets consisting of land which is at the date of this Legal Charge registered at the Land Registry, or which becomes so registered after the date of this Legal Charge, the Chargor hereby applies for a restriction to be entered in the Proprietorship Register of the relevant title or titles in the following terms:
- "No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated 2023 in favour of Arbuthnot Latham & Co. Limited referred to in the charges register."
- 2.7 In the case of any part of the Mortgaged Property consisting of land which is not registered under the Land Registration Act 2002 the Chargor hereby covenants with the Bank that:
- 2.7.1 no person shall during the continuance of this security be registered under the said Acts as proprietor of such property without the prior consent in writing of the Bank; and
  - 2.7.2 upon any such registration the Chargor shall procure the simultaneous registration of this Legal Charge in the Charges Register and the restriction set out in Clause 2.6 in the Proprietorship Register of the relevant title which relates to all of or any such part of the Mortgaged Property and the Chargor shall forthwith deliver to the Bank an official copy of the register showing the entries that exist on the register on completion of such registration together with the Title Information Document confirming completion of the registration.
- 2.8 Upon the Bank being satisfied that the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and following a written request from the Chargor the Bank shall, at the cost of the Chargor, release and where appropriate reassign the security created by this Legal Charge.

2.9 The Bank's certificate of the amount of the Secured Liabilities outstanding at any time shall in the absence of manifest error be conclusive for all purposes as against the Chargor.

2.10 The Chargor unconditionally and irrevocably agrees that repayment of all or any part of the moneys forming part of the Charged Assets is and will be subject to and conditional upon the payment and discharge in full of the Secured Liabilities to the satisfaction of the Bank and accordingly unless and until such time as the Secured Liabilities have been so repaid and discharged in full neither the Chargor nor any person claiming under through or on the Chargor's behalf may request demand or require the payment or repayment of and the Bank will be under no obligation to pay or repay all or any part of the monies forming part of the Charged Assets to the Chargor or any such other person or to release all or any part of the Charged Assets from the terms of this Legal Charge.

### **3. UNDERTAKINGS IN RESPECT OF THE MORTGAGED PROPERTY**

3.1 **Negative Undertakings** The Chargor shall not during the Period:

3.1.1 without the prior consent in writing of the Bank change or permit or suffer to be changed the present use of the Mortgaged Property;

3.1.2 do permit or suffer to be done in or upon the Mortgaged Property any waste spoil or destruction and not make permit or suffer to be made any alteration or addition to the Mortgaged Property without the prior consent in writing of the Bank and, in the event of the Bank giving consent to commence and proceed with the works, the Chargor shall without delay carry out those works to the Bank's satisfaction in accordance with the provisions and conditions of the consent;

3.1.3 sever unfix or remove any of the fixtures or plant or machinery on the Mortgaged Property except for the purposes of effecting any necessary repairs, or of replacing the same with new and improved models;

3.1.4 create any Encumbrance upon the Mortgaged Property or any part of it nor convey assign or transfer the whole or declare a trust in respect of or any part of the Mortgaged Property without the prior written consent of the Bank;

3.1.5 without the prior written consent of the Bank elect to waive exemption under Schedule 10 to the Value Added Tax Act 1994 in respect of any supply made in relation to the Mortgaged Property or any part of it or any other building, parade, precinct or complex or any other contiguous agricultural land (including the buildings on such land) in which the Chargor has a right or licence to occupy within the meaning of Schedule 10 to the Value Added Tax Act 1994 which could give rise to a deemed election in relation to the Mortgaged Property;

3.1.6 sell, transfer or otherwise dispose of (or agree to so deal with) its undertaking or the Charged Assets or any part of them except, in the case of any asset subject to a floating charge, in the ordinary and proper course of its business;

- 3.1.7 grant any new or further lease agreements leases underleases tenancy agreements or licences in relation to the Mortgaged Property without the prior written consent of the Bank which shall not be unreasonably withheld;
- 3.1.8 permit or suffer to be done anything which may in any way depreciate jeopardize or otherwise prejudice the value of the security created under this Legal Charge.

**3.2 Positive Undertakings** The Chargor covenants with the Bank during the Period:

- 3.2.1 to observe and perform all restrictive and other covenants and stipulations (if any) for the time being affecting the Mortgaged Property or any part of it;
- 3.2.2 to pay and discharge all existing and future rates taxes charges assessments impositions and outgoings whatsoever (whether Parliamentary municipal parochial or otherwise) which now are or at any time after the date of this Legal Charge may be payable charged or assessed on or in respect of the Mortgaged Property or any part of it or the owner or occupier of it;
- 3.2.3 to keep the Mortgaged Property in good and substantial repair and condition and, when necessary, rebuilt and renewed and to permit the Bank and any person authorised by it to enter the Mortgaged Property at any time to view its state and condition and to test any work being carried out. In the event that the Chargor fails to keep the Mortgaged Property in good and substantial repair and condition as aforesaid, the Bank or any person authorised by it may enter the Mortgaged Property for the purpose of carrying out any works, repairs or rebuilding (at the expense of the Chargor) and shall not in doing so be treated as a mortgagee in possession;
- 3.2.4 to give notice to the Bank immediately of any loss damage or destruction to or of the Mortgaged Property or any part thereof;
- 3.2.5 to observe and perform the obligations contained in any agreement in contemplation of which a fixed charge over the Mortgaged Property has been created;
- 3.2.6 to manage the Mortgaged Property with all due diligence in accordance with the principles of good estate management and in such manner as will not diminish the value thereof otherwise than as agreed by the Bank;
- 3.2.7 to observe and perform the covenants and obligations on the part of the Chargor contained in any Prior Charges;
- 3.2.8 to conduct and maintain its business operations in connection with the Mortgaged Property so as to comply in all material respects with all applicable Environmental Laws and notify the Bank promptly and in full detail on receipt of any claim notice or communication, or if it becomes aware of any violation or potential violation by it of any Environmental Laws setting out the action which is to be taken with respect to that matter;

- 3.2.9 to maintain continuous environmental surveillance of the Mortgaged Property and business operations in connection therewith and monitor all its procedures to prevent contravention of Environmental Laws;
- 3.2.10 forthwith to notify the Bank, in writing, upon becoming aware of the occurrence of an Event of Default or other event which with the giving of notice and/or lapse of time and/or upon the Bank making a relevant determination would constitute an Event of Default or upon the happening of any other event which with the giving of time fulfilment of a condition or giving of notice would constitute a breach of the covenants and warranties on the part of the Chargor contained in this Legal Charge; and
- 3.2.11 upon the written request of the Bank to execute in favour of the Bank fixed charges of such part of the Charged Assets presently comprised in equitable or floating charges hereunder (to the extent that such property can then be comprised in a fixed charge) such charge or charges to be in such form as the Bank shall require and in particular to contain all the powers and provisions of this Legal Charge as shall be applicable.

**3.3 Insurance** The Chargor shall during the Period:

- 3.3.1 effect and maintain adequate insurances in relation to the Charged Assets with reputable underwriters or insurers and in the case of the Mortgaged Property in the joint names of the Chargor and the Bank, and with the Bank irrevocably nominated as first loss payee (unless otherwise agreed in writing by the Bank) against such risks and in such office and for such amount as the Bank may direct;
- 3.3.2 pending or in default of any direction under Clause 3.3.1, take out insurance to cover loss or damage by fire, explosion, storm, tempest, aircraft and articles dropped from aircraft, flood, lightning, impact, civil commotion, malicious damage, overflowing of pipes and against three years loss of rent. The Chargor shall place such insurance with insurers or underwriters of repute to the full reinstatement value of all items covered for the time being (with adequate provision being made in that insurance for the cost of clearing the site and architects, engineers, surveyors and other professional fees incidental to it);
- 3.3.3 without limiting the generality of the preceding sub-clauses (and unless otherwise previously agreed in writing by the Bank) cause the policies of insurances maintained by it to include clauses reasonably satisfactory to the Bank to ensure that no breach of any of the terms of any such policy of insurance nor failure to give notice of any event giving rise to any claim will invalidate such policy of insurance or any provision thereof as regards the Bank and to ensure that the relevant insurer shall advise the Bank:
  - (a) of any cancellation alteration termination or expiry of any such policy at least 30 days before such cancellation alteration termination or expiry is due to take effect;
  - (b) of any delay or default in the payment of any premium or failure to renew the insurance at least 30 days before the renewal date; and

- (c) of any act or omission or the occurrence of any event of which the insurer has knowledge and which might invalidate or render unenforceable (in whole or in part) the insurance.
  - 3.3.4 punctually pay all premiums necessary for effecting and keeping up such insurance and not do or suffer or cause to be done or suffered anything whereby any insurance policy now or at any time effected in respect of the Charged Assets may become liable to be vitiated or cancelled and in particular shall not use or allow the Charged Assets to be used otherwise than in accordance with the terms of any policy of insurance for the time being relating thereto without first giving written notice to the Bank and obtaining the consent of the insurers concerned and complying with such requirements as to the payment of extra premiums or otherwise as the insurers may impose;
  - 3.3.5 produce to the Bank (if and whenever required by the Bank so to do) the policy or policies of such insurance and the receipts for every such payment save that the Bank will accept performance of the obligation to insure imposed by any lease or underlease under which the Mortgaged Property is held as performance or part performance of the like obligation imposed by the above sub-clauses. If the Chargor is unable to produce any policy or receipt because it is in the possession of the lessor, it shall be sufficient compliance with this Clause if the Chargor adduces to the Bank evidence satisfactory to the Bank of the subsistence of the policy and of its terms and conditions;
  - 3.3.6 subject to the terms of any Prior Charges and the provisions of any lease of the Mortgaged Property deposit all policies and other contracts of insurance and subsequent endorsements relating to the Mortgaged Property with the Bank; and
  - 3.3.7 hold on trust for the Bank all moneys becoming payable under any insurance on the Mortgaged Property whether pursuant to the covenant contained herein or otherwise subject to the provisions of any Prior Charges or any lease of the Mortgaged Property to be applied in making good the loss or damage in respect of which the same become payable or (if the Bank in its absolute discretion so elects) in or towards discharge of the Secured Liabilities.
- 3.4 **Planning** The Chargor shall during the Period:
- 3.4.1 not without the prior consent in writing of the Bank, make any application for planning permission or enter into any agreement under the Planning Acts in respect of the Mortgaged Property or any part of it. In the event of planning permission being obtained by the Chargor, the Chargor will produce that permission to the Bank within seven days of receipt of it;
  - 3.4.2 not implement any planning permission received by it until it has been acknowledged by the Bank to be acceptable to the Bank;
  - 3.4.3 observe, perform, comply with and cause observance, performance and compliance with the provisions of all statutes in force including the requirements of any competent Authority relating to the Mortgaged Property or anything done

on it by the Chargor, in particular, (but without prejudice to the generality of the foregoing) the provisions and requirements of the Planning Acts;

- 3.4.4 give full particulars to the Bank within seven days of receipt of it by the Chargor (or sooner, if necessary having regard to the contents of the same) of any notice, order, direction, proposal for a notice or order or other matter relating to or likely to affect the Mortgaged Property or any part thereof made given or issued to the Chargor by any Planning Authority or other public body or authority (the "Notice"). If required by the Bank, the Chargor shall produce the Notice to the Bank and, without delay take all reasonable and necessary steps to comply with the same. The Chargor will join with the Bank, (if required by the Bank so to do) (at the cost of the Chargor) in making any representations or appeals as the Bank may deem fit in respect of the Notice;
- 3.4.5 without prejudice to the generality of clause 3.4.4 give to the Bank such information as the Bank shall reasonably require as to all matters relating to the Mortgaged Property; and
- 3.4.6 not without the prior consent in writing of the Bank, enter into any negotiations concerning matters contained in the Notice with an Authority with regard to or to consent to the acquisition of the Mortgaged Property or any part of it. If so requested by the Bank, the Chargor shall permit the Bank or its servants or agents to conduct such negotiations or to give any such consent on the Chargor's behalf.

**3.5 Leasing** The Chargor shall throughout the Period:

- 3.5.1 with respect to any lease or underlease under which the Mortgaged Property is held:
  - (a) pay the rent reserved by and observe and perform the lessee's covenants and conditions contained in that lease;
  - (b) enforce against the lessor the covenants and conditions given by the lessor in the lease;
  - (c) not vary the terms of such lease without the prior consent in writing of the Bank;
  - (d) not agree the amount of any reviewed rent without the prior consent in writing of the Bank. In the event that such rent is determined by a third party, the Chargor shall procure that any representations made by the Bank are put to the third party to the satisfaction of the Bank;
  - (e) not without the prior consent in writing of the Bank, agree the terms of any renewed lease or the amount of any interim rent payable under section 24(A) of the Landlord and Tenant Act 1954. In the event that the terms of the renewed lease or rent are determined by the Court, the Chargor shall make such representations to the Court as the Bank may require. Immediately after any such renewed lease is granted to the

Chargor, the Chargor shall execute a legal charge over such lease in identical form (*mutatis mutandis*) to that contained in this Legal Charge;

- (f) immediately notify the Bank of any matter or event under or by reason of which any lease has or may become subject to determination or forfeiture or any other material fact or circumstance arising in relation to the Mortgaged Property or any lease or Occupational Lease;
- (g) if so required by the Bank, join in with the Bank in bringing and/or defending any proceedings against or brought by the lessor under such lease for forfeiture, determination or otherwise.

3.5.2 with respect to the Occupational Leases:

- (a) observe and perform the covenants and conditions on the part of the lessor contained in those leases;
- (b) enforce against the lessees the covenants and conditions to be observed by the lessees;
- (c) not to vary the terms of such leases without the prior consent in writing of the Bank;
- (d) not agree the amount of any reviewed rent without the prior consent in writing of the Bank. In the event of such rent being determined by a third party the Chargor will procure that any representations made by the Bank are put to the third party to the satisfaction of the Bank;
- (e) not without the prior consent in writing of the Bank agree the terms of any renewed lease or the amount of any interim rent payable under section 24(A) of the Landlord and Tenant Act 1954. In the event that the terms of such renewed lease are determined by the Courts, the Chargor shall procure that any representations made by the Bank are put before the Court to the satisfaction of the Bank;
- (f) immediately notify the Bank of any matter or event by reason of which the Occupational Leases have and may become subject to determination or forfeiture and join in the Bank (if so required by it) in bringing proceedings against the relevant lessee under the Occupational Leases for forfeiture determination or otherwise and/or defending any proceedings brought by such lessee or any other material fact or circumstance arising in relation to the Occupational Leases;
- (g) not without the prior consent in writing of the Bank grant any consent under the Occupational Leases;
- (h) not take or omit to take any action the taking or omission of which might result in the impairment of any of the rights created by the Occupational Leases or this security;

- (i) not agree any assignment of the Occupational Leases or grant any further derivative interest whether by way of lease or licence without the prior written consent of the Bank;
- (j) not agree or purport to agree any transfer or charge of the right to current or future Rental Income;
- (k) not by any action or omission waive release or modify any guarantee of the obligations of any lessee without the prior written consent of the Bank;
- (l) not cause or permit any of its claims for Rental Income to be compromised compounded discharged postponed released or subordinated (except in favour of the Bank under this Legal Charge) or any of its rights in connection therewith to be waived or anything to be done or omitted to be done which might delay or prejudice the full recovery thereof; and
- (m) without prejudice to any other provision in this Legal Charge if and whenever required in writing by the Bank, at its own cost forthwith execute in such form as the Bank may require:
  - (i) a fixed charge of the benefit of the Occupational Leases (or such of them as the Bank may specify);
  - (ii) an assignment of the Chargor's entitlement to the Rental Income;
  - (iii) from time to time and at all times after this Legal Charge shall become enforceable execute all further assurances, deeds and things and perform all such acts and give all such notices, orders and directions as the Bank may require for facilitating the realisation of its assets and the exercise by the Bank or any Receiver of all the powers, authorities and discretions conferred under this Legal Charge or any other security documents in being for the time being in respect of the Secured Liabilities on the Bank or such Receiver;
  - (iv) without prejudice to the foregoing or to any other security the Bank may have now or in the future in respect of the Rental Income at the request of the Bank given on or following an Event of Default require the lessees under the Occupational Leases (or such of them as the Bank shall direct) and/or the managing agents of the Mortgaged Property to forthwith remit all Rental Income to the Bank which shall apply the same in reduction of the Secured Liabilities.

**3.6 Development** Where at the date of this Legal Charge or at any time during the Period the Mortgaged Property or any part of it is intended to be developed or is in the course of development, the Chargor shall proceed diligently and to the satisfaction of the Bank and any competent authority with such development in all respects in conformity with the planning and bye-law consents therefor to produce all plans and specifications in

relation to such development to the Bank for approval and not to amend such plans and specifications without the Bank's prior approval.

- 3.7 **Right of entry** The Chargor shall permit representatives of the Bank with or without workmen or others to enter the Mortgaged Property at all reasonable times to view the state of repair and condition of the Mortgaged Property.
- 3.8 **Information** The Chargor shall on request produce to or provide for the Bank such documents or information relating to the Mortgaged Property or its development as the Bank may require.
- 3.9 **Statutes** The Chargor shall comply (in all material respects) with all obligations imposed under any present or future statute regulation order or instrument or under any bye-laws regulations or requirements of any competent authority or approvals licences or consents relative to the Mortgaged Property or its use or enjoyment.
- 3.10 **L&T (Covenants) Act** With reference to the Mortgaged Property the Chargor covenants and agrees as follows:
- 3.10.1 not to consent to the assignment of any New Tenancy (as defined in the L&T (Covenants) Act) unless the existing tenant under such New Tenancy duly executes in favour of the Chargor an authorised guarantee agreement in a form and substance which is satisfactory to the Bank (acting reasonably);
- 3.10.2 not to effect any relevant variation to any New Tenancy which would restrict the liability of a former tenant or his guarantor pursuant to Section 18 of the L&T (Covenants) Act unless the Bank has expressly consented in writing to such restriction in liability and to the relevant variation such consent not to be unreasonably withheld or delayed;
- 3.10.3 as soon as reasonably practicable to serve upon any former tenant or guarantor any notice which is required pursuant to Section 17 of the L&T (Covenants) Act in order to recover any rent, service charge or liquidated sum from the former tenant or guarantor (such notice to be in a form and to be served within the period prescribed by Section 17 of the L&T (Covenants) Act);
- 3.10.4 as soon as reasonably practicable to provide the Bank with a copy of any notice served under Clause 3.10.3 any request for an overriding lease and any completed overriding lease and such other information as the Bank may from time to time in good faith request in relation to any matter arising under the L&T (Covenants) Act.

For the purposes of Clauses 3.10.1 to 3.10.4 (inclusive) the expressions "authorised guarantee agreement", "former tenant", "guarantor", "overriding lease" and "relevant variation" shall have the meanings respectively ascribed to them by Section 17 of the L&T (Covenants) Act.

- 3.11 Each of the provisions in this Clause 3 as with all other provisions in this Legal Charge are cumulative with all other covenants and obligations of the Chargor to the Bank (whether hereunder or under any other deed or document) notwithstanding any repetition or similarity to any such other covenants and obligations.

#### **4. REPRESENTATIONS AND WARRANTIES**

**4.1** If the Chargor is a company or an LLP then the Chargor hereby represents and warrants to and for the benefit of the Bank that:

**4.1.1** at the date hereof there is no provision under any existing mortgage debenture contract licence agreement or other instrument binding on the Chargor which will be contravened by the Chargor entering into this Legal Charge or by the Chargor's performance or observance of any of its obligations hereunder;

**4.1.2** none of the Chargor nor any of its subsidiaries is in default under any agreement to which it is a party or by which it may be bound;

**4.1.3** neither the Chargor nor any of its subsidiaries is engaged in any litigation or arbitration, administrative or criminal proceedings, whether as plaintiff, defendant or otherwise, and which, where the Chargor, or any subsidiary, as the case may be, is a defendant are not malicious and totally without foundation, and no litigation or arbitration, administrative or criminal proceedings by or against the Chargor or any subsidiary, as the case may be, is pending, threatened or expected and so far as the Chargor is aware there is no fact or circumstance likely to give rise to any such litigation or arbitration, administrative or criminal proceedings (past or present) of the Chargor or any subsidiary, as the case may be, in respect of any act or default for which any such person might be vicariously liable;

**4.1.4** the Chargor has the necessary corporate power and authority and legal right to borrow the moneys or incur the liabilities hereby secured and to secure the same on the terms and conditions set out in this Legal Charge and to observe and perform its obligations under this Legal Charge and that the acceptance of the said moneys or the liabilities on the terms and conditions set out in this Legal Charge by the execution and delivery of this Legal Charge has been validly authorised by the appropriate corporate action of the Chargor and constitutes a valid and binding obligation on the Chargor enforceable in accordance with its terms;

**4.1.5** the execution of this Legal Charge is in the best commercial interests of the Chargor and does not constitute a transaction at an undervalue for the purposes of Section 238 of the Insolvency Act or a preference for the purposes of Section 239 of the Insolvency Act nor fall to be challenged under Section 245 of the Insolvency Act or other like legislation in its relevant jurisdiction; and

**4.1.6** neither the execution of this Legal Charge nor the creation of the security hereunder or pursuant hereto does or will contravene any of the provisions of its constitutional documents.

**4.2** If the Chargor is an individual then the Chargor hereby represents and warrants to and for the benefit of the Bank that:

**4.2.1** at the date hereof there is no provision under any existing mortgage charge contract licence agreement or other instrument binding on the Chargor which

will be contravened by the Chargor entering into this Legal Charge or by the Chargor's performance or observance of any of his obligations hereunder; and

4.2.2 the execution of this Legal Charge does not constitute a transaction at an undervalue for the purposes of Section 339 of the Insolvency Act or a preference for the purposes of Section 340 of the Insolvency Act nor fall to be challenged under any other like legislation.

4.3 The Chargor (whether an individual or company or LLP) further represents and warrants to and for the benefit of the Bank:

4.3.1 the Chargor has good and marketable title to the Mortgaged Property and has power to charge the same with full title guarantee;

4.3.2 the Chargor is or on completion of this Legal Charge will be the sole legal and beneficial owner of the Mortgaged Property free from any Encumbrances (other than the Prior Charges) and the Bank has been supplied with accurate and complete copies of all deeds and documents (including all existing Occupational Leases) which materially affect the title to the Mortgaged Property;

4.3.3 the Chargor has complied at all times in all respects with all Environmental laws in relation to or affecting the Charged Assets and there has not been any past or present events, condition, circumstance, activity, practice, incident, action or other phenomenon at or about the Charged Assets which could give rise under any Environmental laws to any criminal or civil liability or a statutory liability or which could require the carrying out of any remedial work in respect of any environmental contamination or waste;

4.3.4 there is no material breach non-performance or non-observance of the covenants conditions obligations statutory requirements planning consents byelaws orders and regulations affecting the Mortgaged Property and no notice of any breach of any of the foregoing has been given and the Chargor is not in default under any law, statute, regulation, indenture, mortgage, trust deed, lease, facility agreement or other instrument, arrangement, obligation, duty or agreement;

4.3.5 there are no Encumbrances affecting the Chargor's assets other than the Prior Charges;

4.3.6 no litigation or arbitration or administrative or criminal proceedings before or at any court or governmental authority are presently pending or to the best of the knowledge or belief of the Chargor threatened against the Chargor or any assets of the Chargor;

4.3.7 there is no material fact or circumstance relating to the Chargor the Charged Assets or to this transaction generally which has not been disclosed in writing to the Bank and which if disclosed might reasonably be expected to affect the Bank's willingness to enter into this Legal Charge; and

- 4.3.8 each of the representations and warranties set out in this Clause 4 will be correct and complied with in all material respects at all times during the Period as if repeated then by reference to the then existing circumstances.

## **5. ENFORCEMENT**

- 5.1.1 The security constituted under this Legal Charge shall become immediately enforceable on the occurrence of an Event of Default or if the Chargor so requests. Once such security has become enforceable, the Bank may in its absolute discretion enforce all or part of it in any manner it sees fit.

- 5.1.2 The power of sale and other powers conferred on a mortgagee by the Act as varied or amended by this Legal Charge shall arise on the execution of this Legal Charge and shall become exercisable by the Bank at any time in relation to any part of the Mortgaged Property when this security is enforceable. The Bank may exercise whether or not it shall have appointed a Receiver all the powers conferred on mortgagees by the Act as hereby varied or extended and all the powers and discretions hereby conferred either expressly or by reference to a Receiver appointed hereunder. Any demand for payment shall be valid and effective for the purposes of this Clause 5 notwithstanding that the demand may contain an inaccurate or incomplete statement of the Secured Liabilities.

- 5.2 Each of the following events shall constitute an Event of Default namely:-

- 5.2.1 if any Obligor fails to pay any sums payable by it from time to time to the Bank on the due date thereof or fails to comply with any term condition covenant or other provision of this Legal Charge or of any facility from the Bank or any related security document or to perform any of its obligations or liabilities to the Bank or if any representation or warranty from time to time made to the Bank by the Chargor is or becomes incorrect or misleading when made or deemed to be made or repeated in a material respect;
- 5.2.2 if any indebtedness whatsoever of any Obligor or (if an Obligor is a company or an LLP) any of its subsidiaries becomes due or capable of being declared due before its specified maturity date by reason of breach or default on the part of any Obligor or (if an Obligor is a company or an LLP) any of its subsidiaries under the terms of any agreement or instrument creating or evidencing the same or is otherwise not paid when due (or within any applicable period of grace) or any guarantee or indemnity given by any Obligor or (if an Obligor is a company or an LLP) any of its subsidiaries is not honoured when due and called upon;
- 5.2.3 if an encumbrancer takes possession of or a trustee receiver or similar officer is appointed in respect of all or any part of the business or assets of any Obligor or (if an Obligor is a company or an LLP) any of its subsidiaries or a distress execution attachment or other legal process is levied or enforced upon or sued out against all or any substantial part of such assets and is not discharged within 14 days;
- 5.2.4 if any Obligor or (if an Obligor is a company or an LLP) any of its subsidiaries is deemed unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986 or commences negotiations with any one or more of its

creditors with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of or a composition with its creditors;

- 5.2.5 if any Obligor (being a company or an LLP) or any of its subsidiaries takes any corporate action or, (whether by such Obligor or the holder of a qualifying floating charge as defined in paragraph 14 of schedule B1 of the Insolvency Act or any other party) other steps are taken or legal proceedings are started for its winding-up dissolution or reorganisation (otherwise than for the purposes of an amalgamation or reconstruction whilst solvent on terms previously approved in writing by the Bank) or for the appointment of a receiver administrator administrative receiver trustee or similar officer of it or of all or a material part of its revenues and assets;
  - 5.2.6 if any Obligor or (if an Obligor is a company or an LLP) any of its subsidiaries suspends or threatens to suspend a substantial part of its business operations (otherwise than for the purposes of a reconstruction or amalgamation on terms previously approved in writing by the Bank) or any governmental authority permits or procures or threatens to permit or procure any reorganisation transfer or expropriation (whether with or without compensation) of a substantial part of the business or assets of any Obligor or any of its subsidiaries;
  - 5.2.7 if any guarantee indemnity or other security for any of the Secured Liabilities fails or ceases in any respect to have full force and effect or to be continuing or is terminated or disputed or in the opinion of the Bank is in jeopardy invalid or unenforceable or if this Legal Charge or the security created by it is disputed or in the opinion of the Bank is in jeopardy;
  - 5.2.8 if at any time it is or becomes unlawful for any Obligor to perform or comply with any or all of its obligations under this Legal Charge or any other agreement between any Obligor and the Bank or any of such obligations of any Obligor are not or cease to be legal valid binding and enforceable;
  - 5.2.9 (where an Obligor is a company or an LLP) control (as defined in Section 435 of the Insolvency Act) or the power to take control of any such Obligor or any of its subsidiaries is acquired by any person or company or group of associates (as defined in such section) not having control of such Obligor or any of its subsidiaries at the date of this Legal Charge (unless with the prior consent in writing of the Bank); or
  - 5.2.10 if in the opinion of the Bank a material adverse change occurs in the financial condition, results of operations or business of any Obligor or (if an Obligor is a company or an LLP) any of its subsidiaries.
- 5.3 Section 93 of the Act (restricting the right of consolidation) and section 103 of the same Act (restricting the power of sale) shall not apply to this Legal Charge. The statutory powers of leasing conferred on the Bank shall be extended so as to authorise the Bank to lease, make agreements for leases accept surrenders of leases and grant options as the Bank thinks fit and whether or not the Bank shall then be in possession of the Mortgaged Property proposed to be leased and without the need to comply with any of the provisions of sections 99 and 100 of the Act and so as to authorise the Bank (inter alia) to make a lease or agreement for lease at a premium and for any length of term generally

without any restriction on the kinds of leases and agreements for lease that the Bank may make and so that for the purposes of section 99(2) of the Act the expression "mortgagor" shall include an encumbrancer deriving title under the Chargor.

- 5.4 Neither the Bank nor its agents managers officers employees delegates and advisers will be liable for any claim demand liability loss damage cost or expense incurred or arising in connection with the exercise or purported exercise of any rights powers and discretions under this Legal Charge in the absence of gross negligence or wilful misconduct
- 5.5 All moneys received by the Bank pursuant to this Legal Charge shall after payment of any claims having priority to the security created hereunder be paid or applied in the following order of priority (but without prejudice to the right of the Bank to recover any shortfall from the Chargor):
  - 5.5.1 in satisfaction of all costs charges and expenses incurred or payments made by the Bank or any Receiver in connection with this Legal Charge;
  - 5.5.2 in or towards satisfaction of or provision for the Secured Liabilities (and in such order as the Bank may decide); and
  - 5.5.3 as to the surplus (if any) to the person or persons entitled to such moneys.
- 5.6 No purchaser from the Bank or any Receiver or other person will be entitled or required to enquire or be affected by notice as to whether demand under this Legal Charge has or has not been made or whether any power exercised under this Legal Charge has become exercisable or whether any of the Secured Liabilities are outstanding.
- 5.7 Neither the Bank nor any Receiver will, by reason of the taking of possession of the whole or any part of the Charged Assets by any of them, be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss upon realisation or for any default or omission for which a mortgagee in possession might be liable.
- 5.8 At any time after the security constituted in this Legal Charge has become enforceable the Bank may redeem any prior security interest against the Charged Assets or procure the transfer of the Charged Assets to itself and may settle or pass the accounts of any holder of such security interest and any accounts so settled and passed will be conclusive and binding on the Chargor.
- 5.9 Notwithstanding anything to the contrary contained in this Legal Charge the Chargor will remain liable to observe and perform all of the conditions and obligations relating to the Charged Assets and neither the Bank nor any Receiver will be under any obligation or liability with respect to the Charged Assets by reason of or arising out of this Legal Charge. Neither the Bank nor any Receiver will be required in any manner to perform or fulfil any obligations of the Chargor in respect of the Charged Assets or to make any payment or to make any enquiry as to the nature or sufficiency of any payment received by it or to present or file any claim or take any other action to collect or enforce any of the Charged Assets.
- 5.10 5.10.1 The Chargor will permit the Bank its agents and contractors at reasonable times and upon reasonable notice to enter into or upon the Mortgaged Property or at

any time if an Event of Default is continuing and has not been waived by the Bank:

- (a) to view the state and condition thereof or of any of the tangible Charged Assets without becoming liable as mortgagee in possession;
- (b) to comply with or object to any direction or notice or other matter served on the Chargor; and
- (c) to carry out at the expense of the Chargor any repairs or take any action which the Bank shall consider necessary or desirable in connection with the Charged Assets to procure compliance with any covenant or obligation in this Legal Charge;

5.10.2 If the Chargor fails to fulfil any of the obligations as to insurance contained in this Legal Charge, the Bank may, but shall not be obliged to, take out renew or maintain such insurances in such sums the Bank may think expedient;

5.10.3 The Chargor shall on demand indemnify the Bank on a full indemnity basis in respect of any costs, damages and expenses incurred by the Bank pursuant to this Clause.

5.11 The Bank may at any time and from time to time delegate by power of attorney or in any other manner to any person or persons all or any of the powers authorities and discretions which are for the time being exercisable by the Bank under this Legal Charge in relation to the Charged Assets or any part of them. Any such delegation may be made upon such terms (including power to sub-delegate) and subject to such regulations as the Bank may think fit. The Bank shall not be in any way liable or responsible to the Chargor for any loss or damage arising from any act default omission or misconduct on the part of any such delegate or sub-delegate. No such delegation shall preclude the subsequent delegation by the Bank of any other person; and any such delegation may be revoked by the Bank at any time.

## **6. RECEIVER**

6.1 At any time after this security becomes enforceable (save that the Bank is not entitled to appoint a receiver solely as a result of the obtaining of a moratorium under section 1A of the Insolvency Act, or anything being done with a view to obtaining such a moratorium) or at the request of the Chargor the Bank may without further notice appoint any one or more persons to be a Receiver of all or any part of the Mortgaged Property

6.2 Every Receiver appointed in accordance with Clause 6.1 will have and be entitled to exercise:

6.2.1 all powers conferred by the Act as if such Receiver had been duly appointed under that Act together with all powers equivalent to those now referred to in Schedule I to the Insolvency Act in so far as the same relate to the assets over which the Receiver is appointed;

- 6.2.2 power to acquire additional land or interest therein and/or easements for the benefit of the Mortgaged Property and power to grant easements or rights over the Mortgaged Property;
  - 6.2.3 power to perform all contracts agreements rights securities covenants guarantees bonds and indemnities of any nature assigned by the Chargor to the Bank under this Legal Charge;
  - 6.2.4 power to use the Chargor's name for registration and to effect any necessary election for tax or other purposes;
  - 6.2.5 power to take possession of collect and get in the Mortgaged Property which unless stipulated by the Receiver to the contrary in writing shall be as agent of the Chargor;
  - 6.2.6 power to demolish construct alter improve develop complete or repair the Mortgaged Property including power to lay out build construct repair and maintain or reconstruct any roads drains or other services;
  - 6.2.7 power to dispose of the Mortgaged Property in any manner for any consideration and on any terms;
  - 6.2.8 power to apply for and obtain any planning building regulation bye-law or other permissions consents or licences;
  - 6.2.9 power to take continue or defend any proceedings and enter into any arrangement or compromise of claims as the Receiver thinks fit;
  - 6.2.10 power to effect maintain renew and deal with all kinds of insurances and to obtain bonds and give indemnities and securities to bondsmen;
  - 6.2.11 power to employ accountants lawyers architects surveyors engineers quantity surveyors contractors builders workmen and others and the power to purchase or hire materials tools equipment or supplies;
  - 6.2.12 power to raise or borrow money whether from the Bank or any other lender and whether or not in priority to the security constituted by or pursuant to this Legal Charge and with or without a mortgage or charge on the Mortgaged Property; and
  - 6.2.13 power to do any other act or thing which the Receiver considers to be incidental or conducive to the exercise of any other right exercisable by him.
- 6.3 In making any sale or other disposal in the exercise of their respective powers, the Receiver or the Bank may accept as and by way of consideration for such sale or other disposal, cash, shares, own capital or other obligation including, without limitation, consideration fluctuating according to or dependent upon profit or turnover and consideration the amount whereof is to be determined by a third party. Any such consideration may be receivable in a lump sum or by instalments and upon receipt by the Receiver or the Bank as the case may be, shall ipso facto be and become charged with the payment of the Secured Liabilities. Any contract for any such sale or other

disposal by the Receiver or the Bank may contain conditions excluding or restricting the personal liability of the Receiver.

- 6.4 Any Receiver appointed pursuant to this Legal Charge will be (so far as the law permits) the agent of the Chargor (and notwithstanding the liquidation of such Chargor any Receiver will not be the agent of the Bank). The Chargor will be solely liable for such Receiver's costs defaults and remuneration and will be liable on any contracts and engagements made or entered into by such Receiver.
- 6.5 The Bank may from time to time by notice in writing executed under hand remove any Receiver appointed by it and may whenever it may deem it expedient appoint another person of equivalent standing as a new receiver in the place of any Receiver whose appointment may for any reason have terminated.
- 6.6 The Bank may from time to time fix the remuneration of any Receiver appointed by it and the maximum rate specified by section 109(6) of the Act shall not apply.
- 6.7 All or any of the powers authorities and discretions which are conferred by this Legal Charge (either expressly or impliedly) upon a Receiver of the Mortgaged Property may be exercised after the security created by this Legal Charge becomes enforceable by the Bank in relation to the Mortgaged Property without first appointing a Receiver or notwithstanding the appointment of a Receiver
- 6.8 Subject to the prior written consent of the Bank a Receiver may delegate to any person or persons any of the rights (including the discretions) conferred on him by Clause 6.2 and may do so on terms authorising successive sub-delegations.
- 6.9 In the case of joint Receivers any of the rights (including the discretions) conferred by this Clause 6 may be exercised by any one or more of them unless their appointment specifically states the contrary.

## **7. NEW ACCOUNTS**

- 7.1 If from time to time the Bank receives notice whether actual or constructive of any subsequent charge or other interest affecting any part of the Mortgaged Property the Bank may open a new account or accounts with the Chargor. If the Bank does not open a new account it shall nevertheless be treated as if it had done so at the time when it received such notice and as from that time all payments made by the Chargor to the Bank shall be credited or be treated as having been credited to the new account and shall not operate to reduce the amount due from the Chargor to the Bank at the time when it received notice as aforesaid.
- 7.2 All monies received recovered or realised by the Bank under this Legal Charge may in the discretion of the Bank be credited to any interest-bearing suspense or impersonal account and may be held in such account for so long as the Bank reasonably thinks fit pending their application from time to time (as the Bank shall be entitled to do in its reasonable discretion) in or towards the discharge of any of the Secured Liabilities.

## **8. ATTORNEY**

8.1 The Chargor hereby irrevocably appoints the Bank and its agents its true and lawful attorney with full power and in its name and on its behalf and as its act and deed to execute and do any assurance agreement instrument act or thing which it ought to execute and do under the covenants undertakings and provisions herein contained or which may be required or deemed proper for any of the purposes of this security Provided Always:-

8.1.1 that the Bank and its agents shall not (save in the case of gross negligence or wilful default) be responsible to the Chargor for any loss thereby incurred; and

8.1.2 notwithstanding the terms of Clause 8.1.1 third parties shall not be bound to see or enquire whether the right of the Bank to exercise the powers hereby conferred has arisen.

8.2 The Chargor hereby ratifies and confirms and agrees to ratify all acts of any such attorney as is mentioned in Clause 8.1 in the exercise of all or any of the powers, authorities and discretions referred to therein.

8.3 The power of attorney hereby granted is as regards the Bank and its delegates (and as the Chargor hereby acknowledges) granted irrevocably and for value as part of the security constituted by this Legal Charge to secure proprietary interests in and the performance of obligations owed to the respective donees within the meaning of the Powers of Attorney Act 1971.

## **9. INDEMNITY**

9.1 The Bank and every Receiver attorney agent or other person appointed by the Bank hereunder shall be entitled to be indemnified out of the Charged Assets in respect of all liabilities and expenses incurred directly or indirectly by any of them in the execution or purported execution of any of the powers authorities or discretions vested in them or him under this Legal Charge and against all actions proceedings costs claims and demands in respect of any matter or thing done or omitted in any wise relating to the Charged Assets and the Bank and any such Receiver Attorney agent or other person may retain and pay all sums in respect of the same out of any moneys received under the powers hereby conferred.

9.2 If under any applicable law or regulation or pursuant to a judgment or order being made or registered against the Chargor or the liquidation of the Chargor or without limitation for any other reason any payment under or in connection with this Legal Charge is made or falls to be satisfied in a currency (the 'payment currency') other than the currency in which such payment is expressed to be due under or in connection with this Legal Charge (the 'contractual currency') then to the extent that the amount of such payment actually received by the Bank when converted into the contractual currency at the rate of exchange falls short of the amount due under or in connection with this Legal Charge the Chargor as a separate and independent obligation shall indemnify and hold harmless the Bank against the amount of such shortfall. For the purposes of this clause 'rate of exchange' means the rate at which the Bank is able on or about the date of such payment to purchase, in accordance with its normal practice, the contractual currency with the payment currency and shall take into account (and the Chargor shall be liable

for) any premium and other costs of exchange including any taxes or duties incurred by reason of any such exchange.

- 9.3 The Chargor agrees to indemnify and keep indemnified the Bank from and against all actions, proceedings, damages, costs, claims and demands occasioned by any breach of any of the covenants, conditions and warranties on the part of the Chargor contained in this Legal Charge and in particular but without prejudice to the generality of the foregoing in the event of the Bank entering into possession of part or parts of the Charged Assets the Chargor shall keep the Bank fully indemnified against liability which may be incurred by the Bank under any of the covenants agreements or obligations contained in or imposed by any conveyance transfer lease agreement or tenancy or building agreement or other deed or document affecting any such part or parts of the Charged Assets and against all actions proceedings losses damages and costs whatsoever in consequence of any defect or want of repair to any such part or parts of the Charged Assets or out of any failure to perform any such covenants agreements or obligations and in the event of the Chargor failing upon the request in writing of the Bank to keep it indemnified as aforesaid it shall be lawful for the Bank to settle liquidate compound or to contest such claim (as it may think fit) and expend such monies and to incur such costs as the Bank may deem necessary for that purpose.

## **10. NOTICES**

- 10.1 Every notice demand or other communication under this Legal Charge shall be in writing and may be delivered personally or by letter or facsimile transmission dispatched as follows:

10.1.1 if to the Bank to its address specified at the head of this Legal Charge or to the facsimile number for the time being at such address;

10.1.2 if to the Chargor to its address specified at the head of this Legal Charge or, in the case of company or an LLP, its registered or principal office for the time being or to the facsimile number set out in Schedule 3:

or to such other address or facsimile number in England as may be notified in writing in accordance with this clause by the relevant party to the other party for such purpose.

- 10.2 Where the Chargor is resident or incorporated overseas the Chargor irrevocably appoints the company, LLP or firm of solicitors referred to in Schedule 4 to accept service of all notices proceedings or other documents to be served on the Chargor hereunder.
- 10.3 If any person appointed as process agent under this Clause is unable for any reason to so act, the Chargor must immediately (and in any event within three days of the event taking place) appoint another agent on terms acceptable to the Bank. Failing this, the Bank may appoint another process agent for this purpose.
- 10.4 The Chargor agrees that failure by a process agent to notify him/her of any process will not invalidate the relevant proceedings.
- 10.5 Every notice demand or other communication shall be deemed to have been received (if sent by post) 24 hours after being posted first class postage prepaid (if posted from and to an address within the United Kingdom) or five working days after being posted

prepaid airmail (if posted from or to an address outside the United Kingdom) and (if delivered personally or by facsimile transmission) at the time of delivery or dispatch if during normal business hours on a working day in the place of intended receipt and otherwise at the opening of business in that place on the next succeeding such working day.

- 10.6 All notices demands or other communications under or in connection with this Legal Charge shall be in English.
- 10.7 All notices to the Bank shall be deemed to have been given only on actual receipt by the Bank.
- 10.8 Service on any of the parties comprised in the expression "Chargor" shall be deemed to be service on all persons comprised in that expression.

## **11. POSSESSION**

If the Bank shall enter into possession of any part or parts of the Mortgaged Property it may from time to time at pleasure go out of such possession and shall not be liable to account as mortgagee in possession while in or out of such possession and the Bank shall not nor shall any receiver appointed by it be liable by reason of any such entry into possession to account as mortgagee in possession or for anything except actual receipts or be liable for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

## **12. MERGER & ASSIGNMENT**

- 12.1 This Legal Charge shall remain in effect and binding on the Chargor notwithstanding any amalgamation or merger that may be effected by the Bank with any other person whether or not the Bank is the surviving entity.
- 12.2 The Bank may assign or transfer any of its rights and obligations under this Legal Charge to any person to whom the Bank is entitled to assign or transfer its rights under any agreement evidencing or governing any Secured Liabilities. The Chargor shall promptly on request to do so by the Bank, at the Chargor's cost, enter into any and all documents which the Bank considers necessary or desirable to give effect to any such transfer or assignment.
- 12.3 The Chargor may not assign or transfer any of its rights or obligations under this Legal Charge

## **13. PROTECTIONS**

- 13.1 The security constituted by this Legal Charge:
  - 13.1.1 shall be a continuing security and shall not be considered satisfied by an intermediate payment or settlement of account or otherwise but shall remain in force until all the Secured Liabilities have been paid or discharged in full;

13.1.2 shall not prejudice or be prejudiced by any other security held by the Bank at any time nor any right the Bank might have against any other person in respect of the Secured Liabilities or any part thereof; and

13.1.3 shall not be affected by (a) any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value or any security or (b) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Obligor or any other person or (c) any unenforceability illegality invalidity or non-provability to any obligation of, or any security created by, any person in connection with the Secured Liabilities or (d) any insolvency, liquidation, bankruptcy, administration or similar proceedings occurring in respect of any Obligor or any other person;

13.1.4 shall not be affected by any act omission or circumstance which but for this Clause might affect or diminish its effectiveness

and without prejudice to the generality of the foregoing the Bank shall be entitled from time to time and without in any way impairing the Chargor's obligations and liabilities hereunder:

- (a) to release or grant any time, waiver or any other indulgence whatsoever to any Obligor or any other person firm or corporation and also to enter into any compromise or arrangement and any other transaction of any kind with or in relation to any Obligor or any other person firm or corporation
- (b) to agree any amendment, novation, supplement, extension (however fundamental and whether or not more onerous) or replacement, assignment, avoidance or termination of any document evidencing any Secured Liabilities, or any other document or security including any change in the purpose or, any extension of or increase in any facility or the addition of any new facility to the Secured Liabilities;
- (c) to take, accept, vary, deal with, enforce, abstain from enforcing, surrender, neglect to take and/or release any other security or guarantee from any other person; and/or
- (d) to claim or prove for and accept or transfer any property or payment in respect of the liabilities of any Obligor in any composition by or winding-up of any Obligor or any other person firm or corporation or to abstain from so claiming or proving or from accepting any such property or payment.

13.2 The Chargor waives (to the extent permissible by law) any right it may have (under the laws of any jurisdiction) to require the Lender (or any trustee or agent on its behalf) to proceed against or enforce any other right or security or claim any payment from any person before enforcing its rights under this Legal Charge.

13.3 The provisions of this Legal Charge shall be in addition and without prejudice to any rights which the Bank may have under any applicable rule of law or by contract or otherwise. The rights and remedies herein provided are cumulative and no failure on the part of the Bank to exercise and no delay in exercising any right power or remedy

available to it shall operate as a waiver thereof nor shall any single or partial exercise of any right power or remedy preclude the further exercise thereof or the exercise of any other right power or remedy.

13.4 Until Secured Liabilities have been irrevocably paid in full or unless the Bank otherwise directs, the Chargor will not exercise any rights which it may have by reason of any amount being payable, or liability arising, under this Legal Charge:

- (a) to be indemnified by any Obligor;
- (b) to claim any contribution from any other guarantor of any of the Secured Liabilities;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Bank in respect of the Secured Liabilities or of any other guarantee or security taken pursuant to, or in connection with the Secured Liabilities;
- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which the Chargor has given any security, undertaking or indemnity under this Legal Charge;
- (e) to receive, claim or have the benefit of any payment, distribution or security from or on account of any Obligor or exercise any right of set-off as against any Obligor;
- (f) to claim, rank, prove or vote as a creditor of an Obligor or its estate in competition with the Bank (or any trustee or agent on its behalf); or
- (g) to be entitled to any right of contribution or indemnity in respect of any payment made or moneys received on account of the Chargor's liability under this Legal Charge.

13.5 The Chargor must hold on trust for and immediately pay or transfer to the Bank any payment or distribution or benefit of security received by it contrary to Clause 13.4 or in accordance with any directions given by the Bank under Clause 13.4.

#### **14. MISCELLANEOUS PROVISIONS**

14.1 In addition to and not in substitution of any other right of set-off provided to the Bank under contract or at general law the Bank shall have the right at any time or times without notice to the Chargor to combine or consolidate all or any sums of money now or hereafter standing to the credit of the then existing accounts of the Chargor with the Bank (in whatever currency such accounts may be denominated) with the liabilities to the Bank of the Chargor and/or to set-off or transfer any sum or sums standing to the credit of any one or more of such accounts in or towards satisfaction of any of the liabilities to the Bank of the Chargor on any other account or in any other respect whether such liabilities be actual, contingent, primary, collateral, several or joint. If the liability in respect of which the Bank is exercising its rights of set-off is contingent or not yet payable it shall automatically be accelerated and shall accordingly be due and payable before and as at the time of such set off.

- 14.2 On demand in writing by the Bank and at the cost of the Chargor the Chargor will execute such documents and such further or other legal or other mortgages charges assignments or other assurances in such form and on such terms as the Bank may require in respect of the Mortgaged Property or any of the rights or income deriving therefrom in any way and to do such other acts matters or things as the Bank may require in order to perfect or protect the security hereby created or any of it or to facilitate its realisation and the exercise of all powers authorities and discretions vested in the Bank or any Receiver or any delegate of either of them.
- 14.3 No assurance, security or payment which may be avoided under any law relating to bankruptcy, insolvency or winding-up (including Sections 238, 239, 244 or 245 of the Insolvency Act) and no release, settlement or discharge given or made by the Bank on the faith of any such assurance, security or payment, shall prejudice or affect the right of the Bank to enforce the security created by or pursuant to this Legal Charge to the full extent of the Secured Liabilities. The Bank may in its absolute discretion retain the security so created for a period of two Business Days plus such statutory period within which any security or payment given or made pursuant to this Legal Charge can be avoided or invalidated after all facilities from time to time made available to the Chargor by the Bank shall have ceased to be available and the Secured Liabilities shall have been paid in full, notwithstanding any release, settlement, discharge or arrangement given or made by the Bank on or as a consequence of such termination of liability. If at any time within such period after such termination a petition shall be presented to a competent court for an order for the bankruptcy, insolvency or winding-up of the Chargor or the Debtor or the Chargor or the Debtor should be wound up voluntarily, or an application for an administration order shall be made by a competent court in respect of the Chargor or the Debtor, the Bank may, notwithstanding as aforementioned, continue to retain such security or any part thereof for and during such further period as the Bank in its absolute discretion shall determine. The Chargor agrees that such security shall be deemed to have remained held by the Bank as and by way of security.
- 14.4 Every provision contained in this Legal Charge shall be severable and distinct from every other such provision 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 such provisions shall not in any way be affected thereby.
- 14.5 If the Chargor fails to perform any of the undertakings contained in this Legal Charge the Bank in its absolute discretion may remedy such failure at the Chargor's expense either itself or through any other person and on such terms as the Bank considers appropriate without in any event becoming liable to account as a mortgagee in possession or otherwise except as provided in Clause 5.7 of this Legal Charge.
- 14.6 Any liberty or power which may be exercised or any determination which may be made hereunder by the Bank as against the Chargor may be exercised or made (unless otherwise expressly provided in this Legal Charge) in the absolute and unfettered discretion of the Bank which shall not be under any obligation to give reasons therefor.
- 14.7 In this Legal Charge where any matter fact or opinion is qualified by the words "reasonable" or "material" or any variations thereof the determination by the Bank of what is reasonable or material shall be binding on the Chargor unless the Chargor shows that such determination is unreasonable.

- 14.8 This Legal Charge may be executed by any party on the same or separate counterparts. This has the same effect as if each party had executed a single copy of this Legal Charge.
- 14.9 The Chargor shall pay interest on any overdue amount owing by it to the Bank under this Legal Charge at the Default Rate (before or after any judgment) from the date on which payment was originally due until payment to the Bank and if unpaid such interest will compound monthly.
- 14.10 Any certification or determination by the Bank of a rate or amount under this Legal Charge is, in the absence of manifest error, conclusive evidence of the matters to which it relates.
- 14.11 Any interest or fee accruing under this Legal Charge accrues from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 or 365 days or otherwise, depending on what the Bank determines is market practice.
- 14.12 No person (including a purchaser) dealing with the Bank or any Receiver will be concerned to enquire:
- (a) whether the Secured Liabilities have become payable;
  - (b) whether any power which the Bank or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
  - (c) whether any of the Secured Liabilities remains due; or
  - (d) how any money paid to the Bank or to that Receiver is to be applied.

## **15. COSTS**

- 15.1 The Chargor shall promptly on demand pay the Bank the amount of all costs and expenses (including legal fees) reasonably incurred by it in connection with the negotiation, preparation, printing and execution of this Legal Charge.
- 15.2 If the Chargor requests an amendment waiver consent or release of or in relation to this Legal Charge, the Chargor shall within five days of demand, reimburse the Bank for the amount of all costs and expenses (including legal fees) reasonably incurred by it in responding to, evaluating, negotiating or complying with that request or requirement.
- 15.3 The Chargor shall within five days of demand, pay the Bank or any Receiver the amount of any costs and expenses (including legal fees) reasonably incurred by the Bank or any Receiver in connection with the enforcement of or the preservation of any rights under this Legal Charge or the investigation of any possible Event of Default.

## **16. TRUSTEE LIMITATION**

Where the Chargor is stated in this Legal Charge to be acting in such person's capacity as trustee of the Trust:

- 16.1 the Bank acknowledges that the Chargor is entering into this Legal Charge in its capacity as a trustee of the Trust only; and
- 16.2 the Bank agrees that (i) the Chargor will not (in the absence of breach of trust, gross negligence, fraud or wilful misconduct by the Chargor) have any personal liability under this Legal Charge for the payment or discharge of the obligations incurred by it under or in connection with this Legal Charge and (ii) the Chargor's liability under this Legal Charge (other than any liability the Chargor may owe as a result of a breach of trust or where there has been gross negligence, fraud or, wilful misconduct on the part of the Chargor) shall be limited to the aggregate of the proceeds of sale of the Charged Assets and any amount recoverable by the Chargor under its indemnity out of the assets of the Trust from time to time.

**17. GOVERNING LAW**

- 17.1 This Legal Charge and any non-contractual obligations arising out of or in connection with this Legal Charge are governed by and shall be construed in accordance with English law.
- 17.2 The Chargor irrevocably agrees that the courts of England shall have exclusive jurisdiction to hear and determine any suit action or proceeding and to settle any dispute which may arise out of or in connection with this Legal Charge and for such purposes irrevocably submits to the jurisdiction of such courts.
- 17.3 Nothing contained in this Clause shall limit the right of the Bank to take proceedings against the Chargor in any other court of competent jurisdiction nor shall the taking of any such proceedings in one or more jurisdictions preclude the taking of proceedings in any other jurisdiction whether concurrently or not (unless precluded by applicable law).
- 17.4 The Chargor irrevocably waives any objection which it may have now or in the future to the courts of England being nominated for the purpose of this Clause on the ground of venue or otherwise and agrees not to claim that any such court is not a convenient or appropriate forum.

**IN WITNESS** whereof this Legal Charge has been executed as a Deed by the parties and delivered on the day and year written on the first page of this Legal Charge.

**SCHEDULE 1  
(Mortgaged Property)**

All that freehold property known as Paternoster House, 182 – 186 Fore Street, Exeter EX4 3AX as the same is registered at the Land Registry under title number DN259330

**SCHEDULE 2  
(Prior Charges)**

Not applicable




**SCHEDULE 3  
(Facsimile number)**

Facsimile: Not applicable

**SCHEDULE 4  
(Details of process agent)**

Not applicable

EXECUTED as a DEED by  
**PATERNOSTER (EXETER) LIMITED**  
acting by a director in the presence of:

 : James Terence Brier  
 : Courtney Edward Manning  
 : John Maxwell Sayer  
\_\_\_\_\_  
Director

Witness Signature:



Witness Name: Daniel Hayward

Address: 21 Commins Road  
EX1 2PZ

Occupation: Director

**THE BANK**

.....  
by Arbuthnot Latham & Co., Limited