



**Registration of a Charge**

Company Name: **AE 84 LTD.**

Company Number: **11897115**



Received for filing in Electronic Format on the: **21/09/2022**

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**Details of Charge**

Date of creation: **20/09/2022**

Charge code: **1189 7115 0002**

Persons entitled: **PROPLEND SECURITY LIMITED**

Brief description: **THE FREEHOLD PROPERTY KNOWN AS LAND ON THE NORTH WEST SIDE OF THE JUNCTION OF STONE CIRCLE ROAD AND NORTH PORTWAY CLOSE, NORTHAMPTON (ALSO KNOWN AS 1 NORTH PORTWAY CLOSE, ROUND SPINNEY, NORTHAMPTON NN3 8RD) AS THE SAME IS REGISTERED AT THE LAND REGISTRY WITH TITLE NUMBER NN74620**

**Contains fixed charge(s).**

**Contains negative pledge.**

**Authentication of Form**

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

**Authentication of Instrument**

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **PARIS SMITH LLP**



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

Company number: 11897115

Charge code: 1189 7115 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 20th September 2022 and created by AE 84 LTD. was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 21st September 2022 .

Given at Companies House, Cardiff on 23rd September 2022

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 20 September 2022

## LEGAL MORTGAGE OVER FREEHOLD PROPERTY

between

AE 84 LTD.

and

PROPLEND SECURITY LIMITED

## CONTENTS

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### CLAUSE

1.	Definitions and interpretation.....	1
2.	Covenant to pay .....	5
3.	Grant of security .....	5
4.	Perfection of security .....	6
5.	Liability of the Borrower.....	6
6.	Representations and warranties .....	7
7.	Covenants .....	8
8.	Powers of PSL.....	8
9.	When security becomes enforceable.....	10
10.	Enforcement of security .....	10
11.	Receivers.....	12
12.	Powers of Receiver.....	12
13.	Delegation .....	15
14.	Application of proceeds .....	15
15.	Costs and indemnity .....	16
16.	Further assurance .....	17
17.	Power of attorney .....	17
18.	Release.....	17
19.	Assignment and transfer.....	17
20.	Further provisions .....	18
21.	Notices .....	20
22.	Governing law and jurisdiction.....	21

### SCHEDULE

SCHEDULE 1	ASSIGNED AGREEMENTS .....	22
SCHEDULE 2	PROPERTY .....	23
SCHEDULE 3	COVENANTS.....	24
Part 1.	General covenants .....	24
1.	Negative pledge and disposal restrictions .....	24
2.	Preservation of Charged Property .....	24
3.	Compliance with laws and regulations .....	24
4.	Enforcement of rights .....	24
5.	Notice of misrepresentations and breaches .....	25
6.	Title documents .....	25
7.	Notices to be given by the Borrower.....	25
8.	Borrower's waiver of set-off.....	25
Part 2.	Assigned Agreements covenants .....	25
1.	No waiver of rights .....	25
2.	No amendment or termination.....	25
Part 3.	Property covenants .....	26

1.	Repair and maintenance .....	26
2.	No alterations.....	26
3.	Development restrictions .....	26
4.	Insurance.....	26
5.	Insurance premiums .....	27
6.	No invalidation of insurance .....	27
7.	Proceeds from Insurance Policies.....	27
8.	Leases and licences affecting the Property .....	27
9.	No restrictive obligations .....	28
10.	Proprietary rights .....	28
11.	Compliance with and enforcement of covenants .....	28
12.	Notices or claims relating to the Property .....	29
13.	Payment of outgoings.....	29
14.	Rent reviews .....	29
15.	Environment.....	29
16.	Conduct of business on Property .....	29
17.	Inspection .....	29
18.	VAT option to tax.....	30
Part 4.	Rent covenants.....	30
1.	Collection of and dealings with Rent.....	30
2.	Notice of assignment of Rent.....	30
	SCHEDULE 4 PERMITTED SECURITY INTEREST(S).....	40

THIS DEED is dated

20 September

2022

#### PARTIES

- (1) **AE 84 LTD.**, a company incorporated and registered in England and Wales with company number 11897115 and whose registered office is at The Grange, 1 Church Way, Ecton, Northampton, NN6 0QE (**Borrower**); and
- (2) **PROPLEND SECURITY LIMITED**, a company incorporated and registered in England Wales with company number 8620117 and whose registered office is at 20-22 Wenlock Road, London N1 7GU (**PSL**)

#### BACKGROUND

- (A) Each of the Lenders has agreed, under its respective Loan Contract, to lend a certain amount of money to the Borrower via the Service in accordance with the Members' Agreement.
- (B) The Borrower is the owner of the Property.
- (C) This deed provides security which the Borrower has agreed to give PSL in respect of, inter alia, the said Loan Contracts in accordance with clause 3.14(b) of the Members' Agreement.

#### AGREED TERMS

##### 1. DEFINITIONS AND INTERPRETATION

##### 1.1 Definitions

The definitions and rules of interpretation in this clause apply in this deed:

**Assigned Agreements:** the agreements (if any) (details of which are set out in Schedule 1), which are assigned by the Borrower pursuant to clause 3.2(c).

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

**Certificate of Title:** any report on or certificate of title relating to the Property supplied to PSL by the Borrower (or on its behalf).

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

**Costs:** all costs, charges, expenses, taxes and liabilities of any kind, including (without limitation) costs and damages in connection with litigation, professional fees, disbursements and any VAT charged on Costs which PSL or any Receiver or Delegate may charge or incur.

**Delegate:** any person appointed by PSL or any Receiver under clause 13 and any person appointed as attorney of PSL, Receiver or Delegate.

**Environment:** the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media.

**Environmental Law:** all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes insofar as they relate to or apply to the Environment.

**Environmental Licence:** any authorisation, permit or licence necessary under Environmental Law in respect of any of the Charged Property.

**Event of Default:** has the meaning given to that expression in clause 4.2 of the Loan Conditions.

**Insurance Policy:** each contract or policy of insurance effected or maintained from time to time in respect of the Property.

**Lenders:** those persons defined as such in, and making available or to make available certain loan facilities to the Borrower under, the Loan Contracts.

**Loan Conditions:** the loan conditions in Annex A to the Members' Agreement.

**Loan Contract:** has the meaning given to it under clause 1.2 of the Members' Agreement and **Loan Contracts** shall be construed accordingly and for the avoidance of doubt being, together, the facility agreements each dated on or before the date of this deed and made between the Borrower and the respective Lenders for the provision of the loan facilities therein described and secured by this deed.

**LPA 1925:** the Law of Property Act 1925.

**Members' Agreement:** the Members' Agreement which the Borrower and the Lenders agreed with PSL and Proplend Ltd (a company incorporated and registered in England Wales with company number 8315922 and whose registered office is at 20-22 Wenlock Road London N1 7GU) when registering to use the Service.

**Permitted Security Interest:** each of the security interests specified in Schedule 4.

**Property:** the freehold property (whether registered or unregistered) owned by the Borrower described in Schedule 2.

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

**Rent:** all amounts payable to or for the benefit of the Borrower by way of rent, licence fee, service charge, dilapidations, ground rent and rent charge in respect of any part of the Property and other monies payable to or for the benefit of the Borrower in respect of occupation or usage of any part of the Property, including (without limitation) for display of advertisements on licence or otherwise.

**Secured Liabilities:** all present and future monies, obligations and liabilities now or at any time due from or owing or incurred by the Borrower to all or any of the Lenders and PSL, whether such monies, obligations or liabilities are express or implied, actual or contingent and whether owed jointly or severally, as principal or as surety or guarantor and/or in any other capacity including, without limitation to the generality of the foregoing, under or pursuant to or in connection with all or any of the Loan Contracts, the Members' Agreement and this deed, together with all interest (including, without limitation, default interest) accruing in respect of those monies, obligations and liabilities.

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

**Security Period:** the period starting on the date of this deed and ending on the date on which PSL is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.

**Service:** the service operated by the aforesaid Proplend Ltd, details of which are set out in the Members' Agreement.

**Valuation:** any valuation relating to the Property for the purposes of this lending addressed and supplied to PSL by the Borrower (or on its behalf).

**VAT:** value added tax.

## 1.2 Interpretation

In this deed:

- (a) reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force for the time being, taking account of any amendment or re-enactment or extension and includes any former statute, statutory provision or subordinate legislation which it amends or re-enacts;
- (b) unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- (c) unless the context otherwise requires, words in the singular include the plural and in the plural include the singular;
- (d) a reference to a clause or Schedule is to a clause of, or Schedule to, this deed and references to paragraphs are to paragraphs of the relevant Schedule, unless the context otherwise requires;
- (e) a reference to **this deed** (or any provision of it) or any other document shall be construed as a reference to this deed, that provision or that document as it is in force for the time being and as amended in accordance with its terms or with the agreement of the relevant parties;
- (f) a reference to a **person** shall include a reference to an individual, firm, company, partnership, corporation, unincorporated body of persons, or any state or any agency of any person;
- (g) a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and **amended** shall be construed accordingly);
- (h) a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- (i) a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisisation, registration and resolution;
- (j) a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (k) a reference to the **Borrower**, the **Lenders** (and each of them), **Proplend Ltd** or **PSL** shall include in each case its successors, permitted transferees and permitted assigns;



- (l) a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the discretion of the person making it;
- (m) clause, Schedule and paragraph headings shall not affect the interpretation of this deed; and
- (n) where the Borrower includes two or more persons:-
  - (i) the obligations of the Borrower in this deed will be joint and several obligations of such persons (and each will be bound by such obligations even if any other is for any reason not so bound);
  - (ii) PSL may release any such person or make any arrangement with them without releasing any other person or otherwise prejudicing its or Proplend Ltd's rights in relation to any document by doing so;
  - (iii) any communication relating to this deed served on one such person will be regarded as served on all other such persons; and
  - (iv) the act or default of any one such person will be regarded as the act or default of all such persons.

### 1.3. **Clawback**

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

### 1.4. **Nature of security over real property**

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

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

### 1.5. **Law of Property (Miscellaneous Provisions) Act 1989**

For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Loan Contracts and the Members' Agreement and of any side letters between any parties in relation to all or any of the Loan Contracts and the Members' Agreement are incorporated into this deed.

### 1.6. **Third-party rights**

Except as expressly provided elsewhere in this deed, a person who is not a party to this deed (other than a permitted successor or assign, any Receiver or any Delegate)

has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this deed.

#### **1.7 Perpetuity period**

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

#### **1.8 Schedules**

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

### **2. COVENANT TO PAY**

The Borrower shall, on demand, pay to PSL and discharge the Secured Liabilities.

### **3. GRANT OF SECURITY**

#### **3.1 Legal mortgage and fixed charges**

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

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

#### **3.2 Assignment**

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

- (a) all its rights in each Insurance Policy, including the proceeds of any claims under each Insurance Policy;
- (b) the Rent and the benefit of any guarantee or security in respect of the Rent; and
- (c) the benefit of each Assigned Agreement and the benefit of any guarantee or security for the performance of an Assigned Agreement,

provided that nothing in this clause 3.2 shall constitute PSL as mortgagee in possession.

#### **4. PERFECTION OF SECURITY**

##### **4.1 Registration of legal mortgage at the Land Registry**

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

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction is to be registered without a written consent signed by the proprietor for the time being of the charge dated 2022 in favour of Proplend Security Limited referred to in the charges register or their conveyancer."

##### **4.2 Further advances**

Where any of the Lenders is under an obligation to the Borrower to make available further advances under any of the Loan Contracts, such obligation shall be deemed to be incorporated into this deed as if set out in this deed and the Borrower consents to an application being made to the Land Registry to enter any such obligation to make further advances on the Charges Register of any registered land forming part of the Charged Property.

##### **4.3 First registration**

If the title to the Property is not registered at the Land Registry, the Borrower shall ensure that no person (other than itself) shall be registered under the Land Registration Act 2002 as the proprietor of all or any part of the Property, without the prior written consent of PSL.

##### **4.4 Cautions against first registration and notices**

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

#### **5. LIABILITY OF THE BORROWER**

##### **5.1 Liability not discharged**

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

- (a) any security, guarantee, indemnity, remedy or other right held by, or available to, PSL or any of the Lenders that is or becomes wholly or partially illegal, void or unenforceable on any ground; or
- (b) all or any of PSL and the Lenders renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or
- (c) any other act or omission which, but for this clause 5.1, might have discharged, or otherwise prejudiced or affected, the liability of the Borrower.

## **5.2 Immediate recourse**

The Borrower waives any right it may have to require PSL or all or any of the Lenders to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this deed against the Borrower.

## **6. REPRESENTATIONS AND WARRANTIES**

### **6.1 Times for making representations and warranties**

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

### **6.2 Ownership of Charged Property**

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

### **6.3 No Security Interests**

The Charged Property is free from any Security Interest other than any Permitted Security Interest and the Security Interests created by this deed.

### **6.4 No adverse claims**

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

### **6.5 No adverse covenants**

There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatever that materially and adversely affect the Charged Property.

### **6.6 No breach of laws**

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

### **6.7 No interference in enjoyment**

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

### **6.8 No overriding interests**

Nothing has arisen, has been created or is subsisting that would be an overriding interest in the Property.

**6.9 No prohibitions or breaches**

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

**6.10 Environmental compliance**

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

**6.11 Information for Valuations and Certificates of Title**

- (a) All written information supplied by the Borrower or on its behalf for the purpose of each Valuation and Certificate of Title was true and accurate in all respects at its date or at the date (if any) on which it was stated to be given.
- (b) The information referred to in clause 6.11(a) was, at its date or at the date (if any) on which it was stated to be given, complete and the Borrower did not omit to supply any information that, if disclosed, would adversely affect the Valuation or Certificate of Title.
- (c) In the case of the first Valuation and Certificate of Title only, nothing has occurred since the date the information referred to in clause 6.11(a) was supplied and the date of this deed which would adversely affect such Valuation or Certificate of Title or cause either of them to be updated or amended.

**6.12 Avoidance of security**

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

**6.13 Enforceable security**

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

**7. COVENANTS**

The Borrower covenants with PSL in the terms set out in Schedule 3.

**8. POWERS OF PSL**

**8.1 Power to remedy**

- (a) PSL shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Borrower of any of its obligations contained in this deed.
- (b) The Borrower irrevocably authorises PSL and its agents to do all such things as are necessary or desirable for that purpose.

- (c) Any monies expended by PSL in remedying a breach by the Borrower of its obligations contained in this deed, shall be reimbursed by the Borrower to PSL on a full indemnity basis and shall carry interest in accordance with clause 15.1.
- (d) In remedying any breach in accordance with this clause 8.1, PSL, its agents and their respective officers, agents and employees shall be entitled to enter onto the Property and to take any action as PSL may consider necessary or desirable including, without limitation, carrying out any repairs, other works or development.

## **8.2 Exercise of rights**

The rights of PSL under clause 8.1 are without prejudice to any other rights of PSL under this deed. The exercise of any rights of PSL under this deed shall not make PSL liable to account as a mortgagee in possession.

## **8.3 PSL has Receiver's powers**

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

## **8.4 Conversion of currency**

- (a) For the purpose of, or pending, the discharge of any of the Secured Liabilities, PSL may convert any monies received, recovered or realised by it under this deed (including the proceeds of any previous conversion under this clause 8.4) from their existing currencies of denomination into such other currencies of denomination as PSL may think fit.
- (b) Any such conversion shall be effected at Barclays Bank PLC's then prevailing spot selling rate of exchange for such other currency against the existing currency.
- (c) Each reference in this clause 8.4 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

## **8.5 New accounts**

- (a) If PSL receives, or is deemed to have received, notice of any subsequent Security Interest or other interest, affecting all or part of the Charged Property, PSL may open a new account for the Borrower in PSL's books. Without prejudice to PSL's right to combine accounts, no money paid to the credit of the Borrower in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.
- (b) If PSL does not open a new account immediately on receipt of the notice, or deemed notice, referred to in clause 8.5(a), then, unless PSL gives express written notice to the contrary to the Borrower, all payments made by the Borrower to PSL shall be treated as having been credited to a new account of the Borrower and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt or deemed receipt of the relevant notice by PSL.

## **8.6 PSL's set-off rights**

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

- (a) the security constituted by this deed has become enforceable; or
- (b) PSL has received, or is deemed to have received, notice of any subsequent Security Interest or other interest affecting all or any part of the Charged Property.

transfer, without prior notice, all or any part of the balance standing to the credit of any account to any other account which may be in debit (but PSL shall notify the Borrower of the transfer once made).

#### **8.7 Indulgence**

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

### **9. WHEN SECURITY BECOMES ENFORCEABLE**

#### **9.1 Security becomes enforceable on Event of Default**

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

#### **9.2 Discretion**

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

### **10. ENFORCEMENT OF SECURITY**

#### **10.1 Enforcement powers**

- (a) The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this deed) shall, as between PSL and a purchaser from PSL, arise on and be exercisable at any time after the execution of this deed, but PSL shall not exercise such power of sale or other powers until the security constituted by this deed has become enforceable under clause 9.1.
- (b) Section 103 of the LPA 1925 (restricting the power of sale) does not apply to the security constituted by this deed.

#### **10.2 Extension of statutory powers of leasing**

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

- (a) grant any lease or agreement for lease;
- (b) accept surrenders of leases; and

- (c) grant any option of the whole or any part of the Property with whatever rights relating to other parts of it,

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

#### **10.3 Prior Security Interests**

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

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

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

#### **10.4 Protection of third parties**

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

- (a) whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged; or
- (b) whether any power PSL, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable; or
- (c) how any money paid to PSL, any Receiver or Delegate is to be applied.

#### **10.5 Privileges**

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

#### **10.6 No liability as mortgagee in possession**

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

#### **10.7 Relinquishing possession**

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

#### **10.8 Conclusive discharge to purchasers**



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

## **11. RECEIVERS**

### **11.1 Appointment**

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

### **11.2 Removal**

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

### **11.3 Remuneration**

PSL may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925 and the remuneration of the Receiver shall be a debt secured by this deed, which shall be due and payable immediately on its being paid by PSL.

### **11.4 Power of appointment additional to statutory powers**

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

### **11.5 Power of appointment exercisable despite prior appointments**

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

### **11.6 Agent of the Borrower**

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

## **12. POWERS OF RECEIVER**

### **12.1 Powers additional to statutory powers**

- (a) Any Receiver appointed by PSL under this deed shall, in addition to the powers conferred on him by statute, have the powers set out in clause 12.2 to clause 12.20.

- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this deed individually and to the exclusion of any other Receiver.
- (c) Any exercise by a Receiver of any of the powers given by this clause 12 may be on behalf of the Borrower, the directors of the Borrower or himself.

#### **12.2 Repair and develop the Property**

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

#### **12.3 Grant or accept surrenders of leases**

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

#### **12.4 Employ personnel and advisers**

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

#### **12.5 Make and revoke VAT options to tax**

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

#### **12.6 Charge for remuneration**

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

#### **12.7 Realise Charged Property**

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

#### **12.8 Manage or reconstruct the Borrower's business**

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

#### **12.9 Dispose of Charged Property**

A Receiver may grant options and licences over all or any part of the Charged Property, sell, assign, lease and accept surrenders of leases of (or concur in selling, assigning, leasing or accepting surrenders of leases of) all or any of the Charged Property in respect of which he is appointed for such consideration and in such manner (including, without limitation, by public auction or private sale) and generally on such terms and conditions as he thinks fit. A Receiver may promote, or concur in

promoting, a company to purchase all or any of the Charged Property to be disposed of by him.

**12.10 Sever fixtures and fittings**

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

**12.11 Give valid receipts**

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

**12.12 Make settlements**

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

**12.13 Bring proceedings**

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

**12.14 Insure**

A Receiver may, if he thinks fit, but without prejudice to the indemnity in clause 15.2, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Borrower under this deed.

**12.15 Powers under LPA 1925**

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

**12.16 Borrow**

A Receiver may, for any of the purposes authorised by this clause 12, raise money by borrowing from any person either unsecured or on the security of all or any of the Charged Property in respect of which he is appointed on such terms as he thinks fit (including, if PSL consents in advance in writing, terms under which such security ranks in priority to this deed).

**12.17 Redeem prior Security Interests**

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

**12.18 Delegation**

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

**12.19 Absolute beneficial owner**

A Receiver may, in relation to any of the Charged Property, exercise all powers, authorisations and rights he would be capable of exercising, and do all such acts and

things, as an absolute beneficial owner could exercise or do in the ownership and management of the Charged Property or any part of the Charged Property.

#### **12.20 Incidental powers**

A Receiver may do all such other acts and things:

- (a) as he may consider desirable or necessary for realising any of the Charged Property; or
- (b) as he may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this deed or law; or
- (c) that he lawfully may or can do as agent for the Borrower.

### **13. DELEGATION**

#### **13.1 Delegation**

PSL or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this deed (including the power of attorney granted under clause 17.1).

#### **13.2 Terms**

Any delegation may be made on such terms and conditions (including the power to sub-delegate) as PSL or any Receiver may think fit.

#### **13.3 Liability**

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

### **14. APPLICATION OF PROCEEDS**

#### **14.1 Order of application of proceeds**

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

- (a) in or towards payment of or provision for all costs, charges and expenses incurred by or on behalf of PSL (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this deed and of all remuneration due to any Receiver under or in connection with this deed;
- (b) in or towards payment of or provision for the Secured Liabilities in such order and manner as PSL determines; and
- (c) in payment of the surplus (if any) to the Borrower or other person entitled to it.

#### **14.2 Appropriation**

Neither PSL nor any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

#### **14.3 Suspense account**

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

- (a) may, at the discretion of PSL, a Receiver or a Delegate, be credited to any suspense or securities realised account;
- (b) shall bear interest at such rate, if any, as may be agreed in writing between PSL and the Borrower; and
- (c) may be held in such account for so long as PSL, a Receiver or a Delegate thinks fit.

### **15. COSTS AND INDEMNITY**

#### **15.1 Costs**

The Borrower shall pay to, or reimburse, PSL and any Receiver on demand, on a full indemnity basis, all Costs incurred by PSL, any Receiver or any Delegate in connection with:

- (a) this deed or the Charged Property;
- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of PSL's, a Receiver's or Delegate's rights under this deed; and
- (c) taking proceedings for, or recovering, any of the Secured Liabilities,

together with interest on those Costs, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant Cost arose until full discharge of that Cost (whether before or after judgment, liquidation, winding up or administration of the Borrower) at the rate and in the manner specified in the Loan Contracts.

#### **15.2 Indemnity**

The Borrower shall indemnify PSL, each Receiver and each Delegate, and their respective employees and agents on a full indemnity basis in respect of all Costs incurred or suffered by any of them in or as a result of:

- (a) the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this deed or by law in respect of the Charged Property; and/or
- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this deed; and/or
- (c) any default or delay by the Borrower in performing any of its obligations under this deed.

Any past or present employee or agent may enforce the terms of this clause 15.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

**16. FURTHER ASSURANCE**

The Borrower shall, at its own expense, take whatever action PSL or any Receiver may require for:

- (a) creating, perfecting or protecting the security intended to be created by this deed; or
- (b) facilitating the realisation of any of the Charged Property; or
- (c) facilitating the exercise of any right, power, authority or discretion exercisable by PSL or any Receiver in respect of any of the Charged Property,

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

**17. POWER OF ATTORNEY**

**17.1 Appointment of attorneys**

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

- (a) the Borrower is required to execute and do under this deed; or
- (b) any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this deed or by law on PSL or any Receiver or any Delegate.

**17.2 Ratification of acts of attorneys**

The Borrower ratifies and confirms, and agrees to ratify and confirm, anything which any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in clause 17.1.

**18. RELEASE**

Subject to clause 20.3, on the expiry of the Security Period (but not otherwise), PSL shall, at the request and cost of the Borrower, take whatever action is necessary to release the Charged Property from the security constituted by this deed.

**19. ASSIGNMENT AND TRANSFER**

**19.1 Assignment by PSL**

- (a) At any time, without the consent of the Borrower, PSL may assign or transfer the whole or any part of PSL's rights and/or obligations under this deed to any person.

- (b) PSL may disclose to any actual or proposed assignee or transferee such information about the Borrower, the Charged Property and this deed as PSL considers appropriate.

## **19.2 Assignment by Borrower**

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

## **20. FURTHER PROVISIONS**

### **20.1 Independent security**

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

### **20.2 Continuing security**

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

### **20.3 Discharge conditional**

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

- (a) PSL or its nominee may retain this deed and the security created by or under it, including all certificates and documents relating to the whole or any part of the Charged Property, for such period as PSL deems necessary to provide PSL with security against any such avoidance, reduction or order for refund; and
- (b) PSL may recover the value or amount of such security or payment from the Borrower subsequently as if such release, discharge or settlement had not occurred.

### **20.4 Certificates**

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

### **20.5 Rights cumulative**

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

### **20.6 Amendments**

Any amendment of this deed shall be in writing and signed by, or on behalf of, each party.

**20.7 Variations and waivers**

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

**20.8 Further exercise of rights**

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

**20.9 Delay**

No delay or failure to exercise any right under this deed shall operate as a waiver of that right or constitute an election to affirm this deed. No election to affirm this deed shall be effective unless it is in writing.

**20.10 Single or partial exercise**

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

**20.11 Consolidation**

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

**20.12 Partial invalidity**

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

**20.13 Counterparts**

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

**20.14 Consent**

Wherever this deed states that the Borrower must not take a particular step or action without the consent of PSL, PSL shall have the absolute, unfettered discretion whether to give its consent and can impose any conditions it may require on any such consent it gives.

**20.15 PSL's receipts**

PSL's obligation to account (whether to all or any of the Lenders, the Borrower or to any other person) shall be limited to PSL's own actual receipts, which PSL must distribute or pay to the person entitled (or who PSL believes to be entitled) in accordance with the requirements of this deed.

**20.16 Liability**



Neither PSL, nor any Receiver nor any Delegate will be liable to the Borrower for any expense, loss liability or damage incurred by the Borrower arising out of the exercise of all or any of their respective rights or powers or any attempt or failure to exercise those rights or powers. The Borrower may not take any proceedings against any officer, employee or agent of either PSL or of any Receiver or of any Delegate in respect of any claim it might have against PSL or any Receiver or any Delegate or in respect of any act or omission of any kind by that officer, employee or agent in relation to this deed. Any officer, employee or agent of PSL or of any Receiver or of any Delegate may rely on this clause 20.16 under the Contracts (Rights of Third Parties) Act 1999.

## **21. NOTICES**

### **21.1 Service**

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

- (a) in writing, delivered personally or sent by prepaid first-class letter or fax; and
- (b) sent:

- (i) to the Borrower at:

The Grange, 1 Church Way, Ecton, Northampton, NN6 0QE  
Attention: The Director

- (ii) to PSL at:

20-22 Wenlock Road, London N1 7GU  
Attention: Finance Director

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

### **21.2 Receipt by Borrower**

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

- (a) if sent by fax, when received in legible form;
- (b) if given by hand, at the time of actual delivery; and
- (c) if posted, on the second Business Day after the day it was sent by prepaid first-class post.

A notice or other communication given as described in clause 21.2(a) or clause 21.2(b) on a day which is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

### **21.3 Receipt by PSL**

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

**22. GOVERNING LAW AND JURISDICTION**

**22.1 Governing law**

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

**22.2 Jurisdiction**

The parties to this deed irrevocably agree that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this deed or its subject matter or formation (including non-contractual disputes or claims). Nothing in this clause shall limit the right of PSL to take proceedings against the Borrower in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

**22.3 Other service**

The Borrower irrevocably consents to any process in any proceedings under clause 22.2 being served on it in accordance with the provisions of this deed relating to service of notices. Nothing contained in this deed shall affect the right to serve process in any other manner permitted by law.

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

## Schedule 1 Assigned Agreements

Description of agreement:

Date:

Parties:

Description of agreement:

Date:

Parties:

### **Schedule 2 Property**

All that freehold property known as land on the North West side of the Junction of Stone Circle Road and North Portway Close, Northampton (also known as 1 North Portway Close, Round Spinney, Northampton NN3 8RD) as the same is registered with Title Absolute at the Land Registry with Title Number NN74620.

## **Schedule 3 Covenants**

### **Part 1. General covenants**

#### **1. NEGATIVE PLEDGE AND DISPOSAL RESTRICTIONS**

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

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

#### **2. PRESERVATION OF CHARGED PROPERTY**

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

#### **3. COMPLIANCE WITH LAWS AND REGULATIONS**

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

3.2 The Borrower shall:

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

#### **4. ENFORCEMENT OF RIGHTS**

The Borrower shall use its best endeavours to:

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

**5. NOTICE OF MISREPRESENTATIONS AND BREACHES**

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

- (a) any representation or warranty set out in clause 6 which is incorrect or misleading in any respect when made or deemed to be repeated; and
- (b) any breach of covenant set out in this deed.

**6. TITLE DOCUMENTS**

The Borrower shall, on the execution of this deed, deposit with PSL and PSL shall, for the duration of this deed, be entitled to hold:

- (a) all deeds and documents of title relating to the Charged Property that are in the possession or control of the Borrower (if these are not within the possession and/or control of the Borrower, the Borrower undertakes to obtain possession of all such deeds and documents of title);
- (b) each Insurance Policy; and
- (c) a copy of each Assigned Agreement, certified to be a true copy by either a director of the Borrower or by the Borrower's solicitors.

**7. NOTICES TO BE GIVEN BY THE BORROWER**

The Borrower shall immediately on the execution of this deed:

- (a) give notice to the relevant insurers of the assignment of the Borrower's rights and interest in and under each Insurance Policy (including the proceeds of any claims under that Insurance Policy) under clause 3.2(a) and procure that each addressee of such notice promptly provides an acknowledgement of that notice to PSL; and
- (b) give notice to each of the other parties to the Assigned Agreements and any guarantee or security for the performance of an Assigned Agreement of the assignment of the Borrower's rights and interest in and under the Assigned Agreements and each guarantee or security for the performance of an Assigned Agreement under clause 3.2(c) and procure that each addressee of such notice promptly provides an acknowledgement of that notice to PSL.

The Borrower shall obtain PSL's prior approval of the form of any notice or acknowledgement to be used under this paragraph 7.

**8. BORROWER'S WAIVER OF SET-OFF**

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

**Part 2. Assigned Agreements covenants**

**1. NO WAIVER OF RIGHTS**

The Borrower shall not, without the prior written consent of PSL, waive any of its rights under any Assigned Agreement.

**2. NO AMENDMENT OR TERMINATION**

The Borrower shall not, without the prior written consent of PSL, supplement, amend, novate, terminate or permit termination of any Assigned Agreement.

### **Part 3. Property covenants**

#### **1. REPAIR AND MAINTENANCE**

- 1.1 The Borrower shall keep all premises, and fixtures and fittings on the Property in:
- (a) good and substantial repair and condition and shall keep all premises adequately and properly painted and decorated and replace any fixtures and fittings which have become worn out or otherwise unfit for use by others of a like nature and equal value; and
  - (b) such repair and condition as to enable the Property to be let in accordance with all applicable laws and regulations.
- 1.2 For the purpose of paragraph 1.1(b) of this Part 3 of Schedule 3, a law or regulation is applicable if it is either in force or it is expected to come into force and a prudent property owner in the same business as the Borrower would ensure that the premises, and fixtures and fittings on the Property were in such repair and condition in anticipation of that law or regulation coming into force.

#### **2. NO ALTERATIONS**

- 2.1 The Borrower shall not, without the prior written consent of PSL:
- (a) pull down or remove the whole or any part of any building forming part of the Property nor permit the same to occur; or
  - (b) make or permit to be made any material alterations to the Property or sever or remove or permit to be severed or removed any of its fixtures or fittings (except to make any necessary repairs or renew or replace the same in accordance with paragraph 1 of this Part 3 of Schedule 3).
- 2.2 The Borrower shall promptly give notice to PSL if the premises or fixtures or fittings forming part of the Property are destroyed or damaged.

#### **3. DEVELOPMENT RESTRICTIONS**

The Borrower shall not, without the prior written consent of PSL:

- (a) make or, in so far as it is able, permit others to make any application for planning permission or development consent in respect of the Property; or
- (b) carry out or permit or suffer to be carried out on the Property any development as defined in each of the Town and Country Planning Act 1990 and the Planning Act 2008 or change or permit or suffer to be changed the use of the Property.

#### **4. INSURANCE**

- 4.1 The Borrower shall insure and keep insured the Charged Property against:
- (a) loss or damage by fire or terrorist acts;

- (b) other usual commercial risks, perils and contingencies that would be insured against by prudent persons carrying on the same class of business as the Borrower; and
- (c) any other risk, perils and contingencies as PSL may require.

Any such insurance must be with an insurance company or underwriters and on such terms as are acceptable to PSL and must be for not less than the replacement value of the Charged Property (meaning in the case of any premises on the Property, the total cost of entirely rebuilding, reinstating or replacing the premises in the event of their being destroyed, together with architects', surveyors', engineers' and other professional fees and charges for demolition and reinstatement) and loss of rents payable by the tenants or other occupiers of the Property for a period of at least three years.

- 4.2 The Borrower shall produce to PSL the current policy, certificate or cover note relating to any such insurance required by paragraph 4.1 of this Part 3 of Schedule 3 and on annual renewal of such a policy supply a cover note or schedule of that renewal.
- 4.3 The Borrower shall, if requested by PSL, procure that a note of PSL's interest is endorsed upon each Insurance Policy maintained by it or any person on its behalf in accordance with paragraph 4.1 of this Part 3 of Schedule 3 and that the terms of each such Insurance Policy require the insurer not to invalidate the policy as against PSL by reason of the act or default of any other joint or named insured and not to cancel it without giving at least 30 days' prior written notice to PSL.

#### **5. INSURANCE PREMIUMS**

The Borrower shall:

- (a) promptly pay all premiums in respect of each Insurance Policy and do all other things necessary to keep that policy in full force and effect; and
- (b) (if PSL so requires) give to PSL copies of the receipts for all premiums and other payments necessary for effecting and keeping up each Insurance Policy.

#### **6. NO INVALIDATION OF INSURANCE**

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

#### **7. PROCEEDS FROM INSURANCE POLICIES**

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

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

#### **8. LEASES AND LICENCES AFFECTING THE PROPERTY**



The Borrower shall not, without the prior written consent of PSL (which consent, in the case of paragraph 8.1(d), is not to be unreasonably withheld or delayed in circumstances in which the Borrower may not unreasonably withhold or delay its consent):

- (a) grant any licence or tenancy affecting the whole or any part of the Property, or exercise the statutory powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925 (or agree to grant any such licence or tenancy, or agree to exercise the statutory powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925) save that the Borrower shall be permitted to grant a tenancy provided that (i) the term of the lease shall be less than seven years, (ii) it is granted without any fine or premium, (iii) it reserves a rent which is not less than the rent which the Borrower ought reasonably to obtain in the open market, (iv) it provides that the yearly rent be payable at intervals no greater than one quarter in advance, (v) it incorporates provisions for the review of rent at the same times and on the same basis as any headlease (where such headlease term includes the review dates) and (vi) before the lease is completed, or, if earlier, before the tenant becomes contractually bound to take the lease, it is validly excluded from the operation of sections 24 to 28 (inclusive) of the Landlord and Tenant Act 1954, in accordance with the provisions of section 38A of that Act;
- (b) in any other way dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of the Property (or agree to dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of the Property);
- (c) let any person into occupation of or share occupation of the whole or any part of the Property save that the Borrower shall be permitted to share occupation of the Property provided that (i) no relationship of landlord and tenant is created; (ii) such person, body or organisation sharing occupation is not given exclusive use and occupation of any part of the Property; and (iii) the Borrower gives PSL written details of such occupation within 10 Business Days after the commencement of such occupation; or
- (d) grant any consent or licence under any lease or licence affecting the Property.

#### **9. NO RESTRICTIVE OBLIGATIONS**

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

#### **10. PROPRIETARY RIGHTS**

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

#### **11. COMPLIANCE WITH AND ENFORCEMENT OF COVENANTS**

The Borrower shall:

- (a) observe and perform all covenants, stipulations and conditions to which the Property, or the use of it, is or may be subject and (if PSL so requires)

produce to PSL evidence sufficient to satisfy PSL that those covenants, stipulations and conditions have been observed and performed; and

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

## **12. NOTICES OR CLAIMS RELATING TO THE PROPERTY**

### **12.1 The Borrower shall:**

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

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

## **13. PAYMENT OF OUTGOINGS**

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

## **14. RENT REVIEWS**

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

## **15. ENVIRONMENT**

The Borrower shall in respect of the Property:

- (a) comply with all the requirements of Environmental Law; and
- (b) obtain and comply with all Environmental Licences.

## **16. CONDUCT OF BUSINESS ON PROPERTY**

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

## **17. INSPECTION**

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

**18. VAT OPTION TO TAX**

The Borrower shall not, without the prior written consent of PSL:

- (a) exercise any VAT option to tax in relation to the Property; or
- (b) revoke any VAT option to tax exercised before, and disclosed to PSL in writing before, the date of this deed.

**Part 4. Rent covenants**

**1. COLLECTION OF AND DEALINGS WITH RENT**



- 1.1 The Borrower shall not deal with the Rent except by getting it in and realising it in the ordinary and usual course of its business and shall, immediately on receipt, pay all Rent into such account as PSL may direct from time to time. If so directed, the Borrower shall, pending that payment into such account, hold all Rent upon trust for PSL.
- 1.2 The Borrower agrees with PSL that any monies received by PSL under paragraph 1.1 of this Part 4 of Schedule 3 shall not constitute PSL as mortgagee in possession of the Property.
- 1.3 The Borrower agrees with PSL that it shall not be entitled to receive, utilise, transfer or withdraw any credit balance from time to time on such bank account except with the prior written consent of PSL.

**2. NOTICE OF ASSIGNMENT OF RENT**

The Borrower shall, promptly following the occurrence of an Event of Default, give notice to the relevant tenant, guarantor or surety of the assignment under clause 3.2(b) of the Borrower's rights and interest to the Rent and each guarantee or security in respect of the Rent and procure that each addressee of such notice promptly provides an acknowledgement of that notice to PSL.

**Schedule 4 Permitted Security Interest(s)**

Executed as a deed by **AE 84 LTD.** acting by a director, in the presence of:

  
.....  
Director  
.....

Signature of witness:

Name of witness: *GEORGIA DURCAN*

Address of witness: **FREETHS LLP**  
ROUTE CO OFFICE PARK  
DAVY AVENUE  
KNOWLHILL

Occupation of witness: **MILTON KEYNES MK5 8HJ**  
*TRAINEE SOLICITOR*

Executed as a deed by Alexander Cheele as  
attorney for **PROPLEND SECURITY LIMITED**  
under a Power of Attorney dated 30 June 2022 in  
the presence of:-

.....

Alexander Cheele

.....

Signature of witness

Name of witness:

Address of witness:

Occupation of witness: