



Registration of a Charge

Company name: **THE BLACK SHEEP BREWERY PLC**

Company number: **02686985**



X66NCC6I

Received for Electronic Filing: **17/05/2017**

Details of Charge

Date of creation: **16/05/2017**

Charge code: **0268 6985 0013**

Persons entitled: **CLOSE BROTHERS LIMITED**

Brief description: **LAND AND BUILDINGS ON THE SOUTH SIDE OF FEARBY ROAD
MASHAM (TITLE NUMBERS: NYK207444 AND NYK306284)**

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT
TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC
COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION
FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by: **DWF LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 2686985

Charge code: 0268 6985 0013

The Registrar of Companies for England and Wales hereby certifies that a charge dated 16th May 2017 and created by THE BLACK SHEEP BREWERY PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 17th May 2017 .

Given at Companies House, Cardiff on 18th May 2017

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



Companies House



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

DATED

16 May

2017

**The Black Sheep Brewery PLC
as the Borrower**

and

**Close Brothers Limited
as the Security Trustee**

**LEGAL MORTGAGE
over property at
Land and buildings on the south side of Fearby Road, Masham**

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THIS LEGAL MORTGAGE is made by way of deed on 16 May 2017

BETWEEN:

- (1) **THE BLACK SHEEP BREWERY PLC** (a public limited company registered with number 02686985) with its registered office at Wellgarth, Masham, Ripon, North Yorkshire, HG4 4EN (the "**Borrower**"); and
- (2) **CLOSE BROTHERS LIMITED** (a private company registered with number 00195626) with its registered office at 10 Crown Place, London, EC2A 4FT and whose address for service is Ridgeland House, 165 Dyke Road, Hove, BN3 1UY, as security trustee for the Beneficiaries (in that capacity, the "**Security Trustee**").

This deed is delivered on the date stated above. The Security Trustee has been appointed by the Original Beneficiaries as trustee under, and has agreed to act in accordance with, the provisions of the Security Trust Deed in respect of the Security created by this Deed

NOW THIS DEED WITNESSES as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed, unless the context otherwise requires:

"Authorisation" means an authorisation, approval, consent, licence, permit, exemption, registration or filing which is necessary or desirable for the ownership, use or enjoyment of the Property or the validity or effectiveness of this Deed.

"Base Rate" means, for each month in question, the ICE Benchmark Administration Limited's 3 Month Sterling LIBOR rate quoted by Thomson Reuters from time to time.

"Beneficiaries" - the Original Beneficiaries together with any other party who accedes to the Security Trust Deed as a Beneficiary from time to time (each a "**Beneficiary**").

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in London.

"Charged Assets" means the Property and the other assets and rights of the Borrower described in Clause 3.1 and Clause 3.2 and shall be interpreted to mean both the whole and any part of such Property, assets and rights and any interest therein.

"Close Group" means Close Brothers Group Plc and each of its Subsidiaries from time to time.

"Default Rate" means the rate of 4 per cent per annum above the Base Rate;

"Enforcement Event" means any of the following events or circumstances:

- (a) the Borrower fails to pay or discharge any of the Secured Liabilities when due for payment or discharge;
- (b) the Borrower breaches any of the provisions of this Deed;

- (c) the Borrower passes any resolution or takes any corporate action, or a petition is presented or proceedings are commenced, or any step is taken by the Borrower or any other person for its winding-up, dissolution, administration or re-organisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of it or of any or all of its revenues or assets or for the general readjustment or rescheduling of its indebtedness or for any composition with its creditors;
- (d) an order is made for compulsory acquisition or requisition of the Property.

"Expenses" means all interest, commission, fees and legal and other costs, charges and expenses which the Security Trustee or any Receiver may charge or incur in relation to the Borrower or in relation to the Charged Assets or the preparation, negotiation and execution of this Deed, or the breach of any of its provisions or the protection, preservation, realisation or enforcement of this Deed, in each case on a full and unqualified indemnity basis.

"Insurances" means all contracts or policies of insurance required to be effected and maintained by the Borrower under Clause 4.13.

"Land Registration Acts" means the Land Registration Acts 1925 to 2002.

"Original Beneficiaries" – the parties or party (the "Original Beneficiary"), as the case may be, referred to in Schedule 1.

"Party" means a party to this Deed and includes its successors in title, permitted assigns and permitted transferees, whether immediate or derivative.

"Property" means the property of the Borrower described in the Schedule 2 together with all buildings, fixtures and fixed plant and machinery on such property, the proceeds of sale and all other income in respect of such property and all rights appurtenant to or benefiting such property, and shall be interpreted to mean both the whole and any part of such property, assets, proceeds and rights and any interest therein.

"Receiver" means any one or more receivers and/or managers appointed by the Security Trustee pursuant to this Deed in respect of the Borrower or over all or any of the Charged Assets.

"Relevant Legislation" means all laws, directions, regulations, codes of practice, guidance notes, circulars and the like concerning the protection of the environment, human health or working conditions at the Property, or the actual or proposed use or development of the Property.

"Secured Liabilities" means all monies, obligations and liabilities whatsoever whether for principal, interest or otherwise and in whatever currency which may now or at any time in the future be due, owing or incurred from or by the Borrower to the Security Trustee and/or Beneficiaries whether actual or contingent and whether alone, severally or jointly as principal, guarantor, surety or otherwise and in whatever name or style and whether originally owing to the Security Trustee and/or Beneficiaries or purchased or otherwise acquired by it and whether on any current or other account or in any other manner whatsoever and including without limitation all Expenses and so that interest shall be computed and compounded on the terms agreed between the Parties or if not agreed according to the usual practice of the Security Trustee as well after as before any demand or judgment, and **"Secured Liability"** means any of such monies, obligations and liabilities.

"Security Interest" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Security Period" means the period from the date of this Deed until the Security Trustee confirms in writing to the Borrower that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.

"Security Trust Deed" means the security trust deed dated on or about the date of this Deed and made between the Security Trustee and the Original Beneficiaries pursuant to which the Security Trustee has been appointed and has agreed to hold the benefit of the Security constituted by this Deed and any subsequent Security created by the Borrower in favour of the Security Trustee on trust for the Beneficiaries from time to time.

"Security Trustee" means where the context permits, includes the Security Trustee's officers, delegates, agents and representatives.

1.2 Construction

In this Deed, unless the context otherwise requires:

- 1.2.1 each reference to this Deed or any other agreement or instrument is a reference to this Deed or such other agreement or instrument as amended, novated, replaced, restated, supplemented or varied from time to time;
- 1.2.2 each reference to a provision of law is a reference to that provision as amended, replaced or re-enacted from time to time;
- 1.2.3 any grant of rights for full title guarantee shall be deemed to contain all of the covenants and warranties implied in respect of any conveyance with full title guarantee pursuant to section 1(2) of the Law of Property (Miscellaneous Provisions) Act 1994;
- 1.2.4 unless a contrary indication appears a reference to the Security Trustee shall be construed as a reference to the Security Trustee as trustee for each of the Beneficiaries;
- 1.2.5 where any right, interest or title is granted or any covenant, undertaking, representation or warranty is given by the Borrower in favour of the Security Trustee it shall be taken as granted or given in favour of the Security Trustee as agent and trustee for the Beneficiaries and any losses suffered by the Security Trustee shall be interpreted as references to the losses of the Security Trustee and/or the Beneficiaries;
- 1.2.6 Clause and Schedule headings are for ease of reference only;
- 1.2.7 each reference to a Clause or Schedule is a reference to a Clause or Schedule of this Deed;
- 1.2.8 words importing the singular shall include the plural and vice versa;
- 1.2.9 words importing one gender will be treated as importing any gender;
- 1.2.10 a reference to any person includes that person's successors and (in the case of the Security Trustee only) its permitted assignees and transferees and any replacement security trustee or (trustees) appointed in accordance with the Security Trust Deed;
- 1.2.11 a reference to any person is to be construed to include references to a corporation, firm, company, partnership, joint venture, unincorporated body of persons, individual or any agency of a state, whether or not a separate legal entity;

1.2.12 where the Borrower consists of two or more persons:

- (a) such expression shall in this Deed mean and include such two or more persons and each of them or (as the context may require) any of them;
- (b) all charges, assignments, covenants, agreements, undertakings, representations, warranties, obligations and liabilities expressed or implied on the part of the Borrower in this Deed shall be deemed to be the joint and several charges, assignments, covenants, agreements, undertakings, representations, warranties, obligations and liabilities of such persons;
- (c) each such person shall be bound by this Deed even if any other of them intended or expressed to be bound by it is not so bound for any reason; and
- (d) the Security Trustee may release or discharge any one or more of them from all or any liability or obligation under this Deed or may make any arrangement or composition with any such person without thereby releasing any other or others of them or otherwise prejudicing its rights under this Deed or otherwise;

1.2.13 the words “**include**”, “**including**”, “**in particular**” and any similar expression shall not be construed as implying any limitation, and general words introduced by “**other**”, “**otherwise**” or any similar expression will not be given a restrictive meaning by reason of the fact that they are preceded or followed by words indicating a particular class, of acts, matters or things.

1.3 **Effect of this Deed**

This Deed is intended to take effect as a deed notwithstanding that a Party may have executed it under hand only.

2 **COVENANT TO PAY**

2.1 **Covenant**

The Borrower covenants that it will pay to the Security Trustee or Beneficiary or discharge all Secured Liabilities on the due date or dates for payment or discharge or, in the absence of any agreed or specified due date or dates, immediately on demand by the Security Trustee and / or Beneficiary.

2.2 **Interest**

If the Borrower fails to pay or discharge any Secured Liability when due the Borrower will pay to the Security Trustee on demand interest on such Secured Liability at the Default Rate, in the case of Expenses from the date on which the relevant Expense was incurred and in the case of any other Secured Liability from the date on which the Secured Liability became due for payment or discharge (both before and after judgment), which interest shall accrue from day to day and may be compounded in accordance with the usual practice of the Security Trustee.

3 CHARGES

3.1 Fixed Charge

The Borrower charges to the Security Trustee as a continuing security for the payment and discharge of the Secured Liabilities the following assets, both present and future:

- 3.1.1 by way of legal mortgage, the Property; and
- 3.1.2 by way of fixed charge, the full benefit of all agreements, contracts, guarantees, indemnities, warranties and other documents and arrangements relating to the Property to which the Borrower is or may become a party or is or becomes otherwise entitled in respect of the Property, and all rights and claims thereunder;
- 3.1.3 by way of fixed charge, all loose plant, machinery and equipment owned by the Borrower and situated at the Property; and
- 3.1.4 if and in so far as any assignment in Clause 3.2 shall for any reason be ineffective as an assignment, by way of fixed charge the assets referred to in that Clause.

3.2 Assignment

- 3.2.1 The Borrower assigns and agrees to assign absolutely to the Security Trustee by way of security the following assets, both present and future:
 - (a) all its rights, title and interest in and to all payments made under the Insurances;
 - (b) all its rights, title and interest in and to all Authorisations;
 - (c) all its rights, title and interest in and to any rental and other income in respect of the Property;
 - (d) all the goodwill of the business carried on by the Borrower at the Property and the benefit of all contracts and claims in respect of that business; and
 - (e) all rights and claims to which it the Borrower is entitled in relation to the Charged Assets.
- 3.2.2 Notwithstanding the assignment in Clause 3.2.1 the Borrower will remain liable to perform all the obligations to be performed on the part of the Borrower in respect of the assets assigned and the Security Trustee shall have no obligation of any kind in respect of those assets nor any liability to perform the Borrower's obligations thereunder, unless the Security Trustee expressly agrees otherwise in writing. The Borrower will indemnify the Security Trustee in respect of all liabilities which the Security Trustee may incur in respect of the assets assigned under Clause 3.2.1.
- 3.2.3 At the end of the Security Period, the Security Trustee will, at the request and cost of the Borrower, reassign the assets referred to in Clause 3.2.1 to the Borrower or as it may direct.

3.3 Priority

The charges and assignments created by this Deed:

- 3.3.1 rank as first charges and assignments; and
- 3.3.2 are given with full title guarantee.

4 **UNDERTAKINGS**

4.1 **Duration**

The Borrower agrees with the Security Trustee, for the benefit of each Beneficiary, that, whilst during the Security Period each of the undertakings in this Clause 4 remain in force.

4.2 **Negative Pledge**

The Borrower will not create or agree to create or permit to subsist any Security Interest over the Property, other than:

- 4.2.1 any Security Interests created by this Deed; and
- 4.2.2 any other Security Interest to which the Security Trustee has given its prior written consent.

4.3 **Deposit of Deeds**

The Borrower will deposit with the Security Trustee (to be held at the risk of the Borrower) all deeds and documents of title relating to the Property and such other Charged Assets as the Security Trustee may require.

4.4 **Compliance with Obligations**

The Borrower will:

- 4.4.1 observe and perform all covenants, burdens, stipulations, requirements and obligations from time to time affecting the Charged Assets or the use, ownership, occupation, possession or other enjoyment of the Charged Assets whether imposed by statute, contract, lease or otherwise;
- 4.4.2 punctually pay, or cause to be paid, and indemnify the Security Trustee and any Receiver against, all present and future rent, rates, taxes, duties, charges, assessments, impositions and outgoings now or at any time payable in respect of the Property or any part;
- 4.4.3 use all reasonable endeavours to procure the observance and performance by the other parties to any Insurances, Authorisations, agreements and other obligations affecting the Charged Assets or their ownership or use;
- 4.4.4 do all acts necessary or desirable to preserve its rights, title and interest in and to the Charged Assets; and
- 4.4.5 not, without the written prior consent of the Security Trustee, enter into any onerous or restrictive obligations in respect of any of the Charged Assets.

4.5 **Development and Alterations**

The Borrower will not, without the prior written consent of the Security Trustee, make or permit others to make any application for planning permission in respect of any

part of the Property or make any structural or material alteration or addition to the Property, change the use of, or carry out or permit to be carried out any development on, any part of the Property.

4.6 Repair

The Borrower will keep the Property and all buildings thereon in good repair and condition and all fixtures, plant, machinery and equipment on the Property in good working order and condition (fair wear and tear excepted in the case of fixtures, plant, machinery and equipment) and fully protected against damage or deterioration and will not commit any waste on the Property.

4.7 Access

The Borrower will permit any person appointed by the Security Trustee, without the Security Trustee becoming liable to account as mortgagee in possession, (at reasonable times and upon reasonable notice) to enter upon the Property and inspect the state of the Charged Assets.

4.8 Information and Notices

4.8.1 The Borrower will produce to the Security Trustee such documents or information relating to the Charged Assets as the Security Trustee and/or Beneficiary may from time to time reasonably request and promptly deliver to the Security Trustee and/or Beneficiary a copy of any notice, order or proceedings served by any person on the Borrower concerning any Charged Assets, or alleging any breach by the Borrower of its obligations relating to the Charged Assets.

4.8.2 The Borrower will, if requested by the Security Trustee, without delay and at its own cost take all reasonable or necessary steps to comply with any notice, order or proceedings referred to in Clause 4.8.1.

4.8.3 The Borrower will, at the request of the Security Trustee, without delay and at its own cost give notice to such persons specified by the Security Trustee of the security created by this Deed.

4.9 Relevant Legislation

The Borrower will:

4.9.1 not do or knowingly omit or knowingly suffer to be done or omitted any act, matter or thing in, on or in respect of the Property required to be done or omitted by any Relevant Legislation or which shall contravene the provisions of any Relevant Legislation; and

4.9.2 indemnify and keep indemnified the Security Trustee against all actions, proceedings, costs, expenses, claims and demands whatsoever in respect of any such act, matter or thing referred to in Clause 4.9.1.

4.10 Authorisations

The Borrower will at all times acquire and maintain all Authorisations and will comply with all terms and conditions relating to all Authorisations and will not do or permit any act or omission whereby any Authorisation would be liable to be varied or revoked.

4.11 Value

The Borrower will not do, or cause or permit to be done, anything which may depreciate, jeopardise or otherwise prejudice the value to the Security Trustee of the Property nor incur any expenditure or liability of an exceptional or unusual nature in respect of the Property without the prior written consent of the Security Trustee.

4.12 Land Registration Acts

4.12.1 The Borrower will not, without the prior written consent of the Security Trustee:

- (a) permit any person to be registered as proprietor of the Property under the Land Registration Acts;
- (b) create or knowingly permit to arise or subsist any overriding interest affecting the Property within the definition in the Land Registration Acts; or
- (c) permit any person to become entitled to any proprietary right or interest which might reasonably be expected to affect the value of the Property or any other Charged Asset thereon.

4.12.2 The costs incurred by the Security Trustee in lodging from time to time a caution against registration of the Property shall be deemed to be costs properly incurred by it under this Deed.

4.13 Insurances

4.13.1 The Borrower will effect and maintain:

- (a) insurance of the Property and the buildings, fixtures, plant, machinery and equipment on the Property on a full reinstatement basis, including, without limitation, site clearance costs, professional fees, VAT and subsidence;
- (b) third party liability insurances in respect of the Property;
- (c) insurance against acts of terrorism in respect the Property; and
- (d) such insurances in relation to its business or assets which would be effected by a prudent company in the same business,

all such insurances to be in amount and in form and with an insurance company or underwriters acceptable to the Security Trustee (acting reasonably) and with the interest of the Security Trustee noted thereon.

4.13.2 The Borrower will supply to the Security Trustee such information in connection with the Insurances and copies of the policies as the Security Trustee may reasonably require and will notify the Security Trustee of renewals made and material variations or cancellations of policies made or, to the knowledge of the Borrower, threatened or pending.

4.13.3 The Borrower will promptly pay all premiums and do all other things necessary to keep all of the Insurances in full force and effect and will not do or permit to be done anything which may make any of the Insurances void or voidable.

4.13.4 If the Borrower fails to comply with any of the provisions of this Clause 4.13, the Security Trustee shall immediately be entitled to effect the Insurances concerned at the expense of the Borrower.

4.13.5 The Borrower will apply all monies received or receivable under any insurance in respect of the Property towards replacing, restoring or reinstating such Property, or (at the sole discretion of the Security Trustee) in or towards the payment and discharge of the Secured Liabilities.

4.14 Restrictions on Dealing with the Charged Assets

4.14.1 The Borrower will not (whether by a single transaction or a series of related or unrelated transactions and whether at the same time or over a period of time):

- (a) sell, transfer, lease, declare any trust in respect of or otherwise dispose of any of the Charged Assets or any interest therein; or
- (b) grant any lease, licence or tenancy or otherwise part with or share possession or occupation of the Property; or
- (c) agree to do any of those things.

4.14.2 The Borrower will not exercise any of the powers of leasing or of accepting surrenders of leases conferred by sections 99 and 100 of the Law of Property Act 1925 or by common law or vary any lease or tenancy agreement or reduce any sum payable under the same.

4.14.3 The Borrower will not without the prior written consent of the Security Trustee, make, nor revoke any existing, election in respect of value added tax in relation to any part of the Charged Assets.

4.15 Power to Remedy

4.15.1 If the Borrower at any time defaults in complying with any of its obligations contained in this Deed, the Security Trustee shall, without prejudice to any other rights arising as a consequence of such default, be entitled to make good such default and the Borrower irrevocably authorises the Security Trustee and its employees and agents by way of security to do all such things necessary or desirable in connection with the same.

4.15.2 Any moneys so expended by the Security Trustee shall be repayable by the Borrower to the Security Trustee on demand together with interest at the Default Rate from the date of payment by the Security Trustee until such repayment, both before and after judgment.

5 FURTHER ASSURANCE

5.1 Further Assurance

The Borrower will, if and when required by the Security Trustee:

5.1.1 execute such further Security Interests and assurances in favour of the Security Trustee and do all such acts and things as the Security Trustee shall from time to time require over or in relation to all or any of the Charged Assets to secure the Secured Liabilities or to perfect or protect the security intended to be created by this Deed over the Charged Assets or any part thereof or to facilitate the realisation of the same; and

- 5.1.2 affix to such items of the Charged Assets or endorse or cause to be endorsed thereon as the Security Trustee shall stipulate such signs, labels, memoranda or other recognisable identification markings as the Security Trustee shall require referring or drawing attention to the security constituted by or pursuant to this Deed.

5.2 Certain Documentary Requirements

Such further Security Interests and assurances shall be prepared by or on behalf of the Security Trustee, at the expense of the Borrower, and shall contain an immediate power of sale without notice, a clause excluding section 93 of the Law of Property Act 1925, a clause excluding the restrictions contained in section 103 of the Law of Property Act 1925 and such other clauses for the benefit of the Security Trustee as it may reasonably require.

6 CERTAIN POWERS OF THE SECURITY TRUSTEE

6.1 Powers on Enforcement

At any time on or after the occurrence of an Enforcement Event, or if requested by the Borrower, the Security Trustee may, without further notice and whether or not a Receiver shall have been appointed, exercise all the powers conferred upon mortgagees by the Law of Property Act 1925, as varied or extended by this Deed, and all the powers and discretions conferred by this Deed on a Receiver either expressly or by reference.

6.2 Subsequent Security

- 6.2.1 If the Security Trustee receives notice of any subsequent Security Interest affecting the Charged Assets or any part thereof, the Security Trustee may open a new account for the Borrower.
- 6.2.2 If the Security Trustee does not open a new account then, unless the Security Trustee gives express written notice to the contrary to the Borrower, it shall nevertheless be treated as if it had opened a new account at the time when it received such notice and as from that time all payments made by or on behalf of the Borrower to the Security Trustee shall be credited or be treated as having been credited to the new account and shall not operate to reduce the Secured Liabilities at the time when it received such notice.

6.3 Statutory Power of Leasing

The Security Trustee shall have the power to lease and make agreements for leases at a premium or otherwise, to accept surrenders of leases and to grant options on such terms as the Security Trustee shall consider expedient and without the need to observe any of the provisions of sections 99 and 100 of the Law of Property Act 1925.

6.4 Contingencies

- 6.4.1 If the Security Trustee enforces the security constituted by this Deed at a time when no amount in respect of the Secured Liabilities is due and payable, the Security Trustee (or the Receiver) may pay the proceeds of any recoveries effected by it into a suspense account.
- 6.4.2 The Security Trustee may (subject to the payment of any claims having priority to this security) withdraw amounts standing to the credit of such account for application as follows:

- (a) paying all costs, charges and expenses incurred and payments made by the Security Trustee (or the Receiver) in the course of such enforcement;
- (b) paying remuneration to the Receiver as and when the same becomes due and payable; and
- (c) paying amount due and payable in respect of the Secured Liabilities as and when the same become due and payable.

6.5 Redemption of Prior Security

6.5.1 At any time on or after the occurrence of an Enforcement Event, or if requested by the Borrower, the Security Trustee may:

- (a) redeem any prior Security Interest against any of the Charged Assets; and/or
- (b) procure the transfer of that Security Interest to itself; and/or
- (c) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer and any accounts settled and passed will be conclusive and binding on the Borrower.

6.5.2 The Borrower will pay on demand all principal moneys, interest, costs, charges and expenses in connection with any such redemption and/or transfer.

6.6 Power of Sale and Right of Consolidation

Sections 93 and 103 of the Law of Property Act 1925 do not apply to the security constituted by this Deed.

7 APPOINTMENT AND POWERS OF RECEIVER

7.1 Appointment

7.1.1 At any time on or after the occurrence of an Enforcement Event, or if requested by the Borrower, the Security Trustee may by instrument in writing executed as a deed or under the hand of any duly authorised officer appoint a Receiver of the Charged Assets or any part thereof.

7.1.2 Where more than one Receiver is appointed, each joint Receiver shall have power to act severally, independently of any other joint Receivers, except to the extent that the Security Trustee may specify to the contrary in the appointment.

7.1.3 The Security Trustee may (subject to section 45 of the Insolvency Act 1986) remove any Receiver so appointed and appoint another in his place.

7.2 Receiver as Agent

A Receiver shall be the agent of the Borrower and the Borrower will be solely responsible for his acts or defaults and for his remuneration.

7.3 Powers of Receiver

A Receiver shall have all the powers conferred from time to time on receivers and administrative receivers (whether or not the Receiver is an administrative receiver) by

statute and power on behalf and at the expense of the Borrower to do, or omit to do, anything which the Borrower could do, or omit to do, in relation to the Charged Assets or any part thereof including (without limitation) power to:

- 7.3.1 take possession of, collect and get in, and give a good discharge for, all or any of the Charged Assets; and/or
- 7.3.2 exercise in respect of the Charged Assets all powers or rights available to a registered or other holder in such manner as he may think fit; and/or
- 7.3.3 [carry on, manage, develop, reconstruct, amalgamate or diversify the whole or any part of the business carried on by the Borrower on the Property; and/or]
- 7.3.4 lease or otherwise acquire and develop or improve properties or other assets without being responsible for loss or damage; and/or
- 7.3.5 raise or borrow any money from or incur any other liability to the Security Trustee or others on such terms, with or without security, as he may think fit and so that any such security may be or include a charge on the whole or any part of the Charged Assets ranking in priority to this security or otherwise; and/or
- 7.3.6 sell, let, surrender or accept surrenders, grant licences or otherwise dispose of or deal with all or any of the Charged Assets for such consideration and generally on such terms and conditions as he may think fit; and the consideration for such sale, lease or disposition may be for cash, debentures or other obligations, shares, stock, securities or other valuable consideration and be payable immediately or by instalments spread over such period as he shall think fit and so that any consideration received or receivable shall immediately be and become charged with the payment of all the Secured Liabilities; and/or
- 7.3.7 promote the formation of companies with a view to the same becoming a subsidiary of the Borrower and purchasing, leasing, licensing or otherwise acquiring interests in all or any of the Charged Assets or otherwise, arrange for such companies to trade or cease to trade and to purchase, lease, license or otherwise acquire all or any of the Charged Assets on such terms and conditions as he may think fit; and/or
- 7.3.8 make any arrangement or compromise or enter into, or cancel, any contracts which he shall think expedient; and/or
- 7.3.9 make and effect such repairs, renewals and improvements to the Charged Assets or any part thereof as he may think fit and maintain, renew, take out or increase insurances; and/or
- 7.3.10 appoint managers, agents, officers and employees for any of the purposes referred to in this Clause 7.3; and/or
- 7.3.11 institute, continue, enforce, defend, settle or discontinue any actions, suits or proceedings in relation to the Charged Assets or any part thereof or submit to arbitration as he may think fit; and/or
- 7.3.12 delegate his powers in accordance with Clause 10; and/or
- 7.3.13 sign any document, execute any deed and do all such other acts and things as may be considered by him to be incidental or conducive to any of the matters or powers referred to in this Clause 7.3 or to the realisation

of the security created by or pursuant to this Deed and to use the name of the Borrower for all the purposes referred to in this Clause 7.3.

7.4 Remuneration

The Security Trustee may from time to time determine the remuneration of any Receiver and section 109(6) of the Law of Property Act 1925 shall be varied accordingly.

8 APPLICATION OF PROCEEDS

All moneys received by the Security Trustee or by any Receiver shall be applied, after the discharge of the remuneration and expenses of the Receiver and all liabilities having priority to the Secured Liabilities, in payment to the Beneficiaries in or towards satisfaction of such of the Secured Liabilities due to each respective Beneficiary and in such order as the Security Trustee in its absolute discretion may from time to time conclusively determine, except that the Security Trustee may credit the same to a suspense account for so long and in such manner as the Security Trustee may from time to time determine and the Receiver may retain the same for such period as he and the Security Trustee consider expedient.

9 PROTECTION OF THIRD PARTIES

9.1 Deemed Right to Enforce

In favour of any purchaser (as defined in section 205 of the Law of Property Act 1925) or person dealing in good faith, the Secured Liabilities shall be deemed to become due, and all rights of enforcement conferred upon the Security Trustee by the Law of Property Act 1925, as varied and extended by this Deed, shall be deemed to arise, immediately after the execution of this Deed.

9.2 No Enquiry Required

No purchaser or other person dealing with the Security Trustee or a Receiver shall be bound or concerned to enquire whether any power exercised or purported to be exercised under this Deed has become exercisable or whether any money is due on the security of this Deed or as to the propriety or regularity of any sale by, or other dealing with, the Security Trustee or such Receiver or be concerned with notice to the contrary. Any such sale or dealing shall be deemed to be within the powers conferred by this Deed and to be valid and effectual accordingly.

10 DELEGATION

The Security Trustee and any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed. Any such delegation may be made upon the terms (including power to sub-delegate) and subject to any regulations which the Security Trustee or such Receiver (as the case may be) may think fit. Neither the Security Trustee nor any Receiver will 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 such delegate or sub-delegate.

11 INDEMNITIES

11.1 Costs and Expenses

The Borrower will, on demand and on a full and unqualified indemnity basis, pay to the Security Trustee:

- 11.1.1 the amount of all costs and expenses (including legal and out-of-pocket expenses and any value added tax on such costs and expenses) which the Security Trustee and/or any Receiver incurs in connection with:

- (a) the preparation, negotiation, execution and delivery of this Deed and any related documents;
- (b) any stamping, filing or registration of this Deed;
- (c) any actual or proposed amendment or waiver or consent under or in connection with this Deed;
- (d) any discharge, release or reassignment of this Deed;
- (e) the actual or attempted preservation or exercise of any rights under or in connection with, and the actual or attempted enforcement of, this Deed;
- (f) obtaining payment of any of the Secured Liabilities;
- (g) dealing with or obtaining advice about any other matter or question arising out of or in connection with this Deed or any related document;

11.1.2 all other moneys paid by the Security Trustee in connection with this Deed including (without limitation) any costs, charges and expenses specifically referred to in any of the provisions in this Deed.

11.2 Recovery of Costs and Expenses

The costs, expenses and other monies referred to in Clause 11.1 shall be recoverable from the Borrower as a debt and may be debited to any account of the Borrower and shall bear interest accordingly at the Default Rate and shall be charged on the Charged Assets.

11.3 Indemnity from Charged Assets

The Security Trustee and any Receiver, attorney, agent or other person appointed by the Security Trustee under this Deed and the officers and employees of the Security Trustee and any such Receiver, attorney, agent or other person (each an **"Indemnified Party"**) shall be entitled to be indemnified out of the Charged Assets in respect of all costs and losses which may be incurred by, or made against, any of them (or by or against any manager, agent, officer or employee for whose liability, act or omission any of them may be answerable) at any time relating to or arising out of or as a consequence of:

- 11.3.1 anything done or omitted in the exercise, or purported exercise, of the powers contained in this Deed; or
- 11.3.2 any breach by the Borrower of any of its obligations under this Deed; or
- 11.3.3 any claim made or asserted against an Indemnified Party under any Relevant Legislation which would not have arisen if this Deed had not been executed and which was not caused by the gross negligence or wilful default of the relevant Indemnified Party.

12 POWER OF ATTORNEY

12.1 Power of Attorney

The Borrower, by way of security (and to secure proprietary interests of any delegates), irrevocably appoints each of the Security Trustee and any Receiver and their respective delegates severally to be its attorney in its name and on its behalf:

- 12.1.1 to execute and complete any documents or instruments which the Security Trustee or such Receiver may require for perfecting the title of the Security Trustee to the Charged Assets or for vesting the same in the Security Trustee, its nominee or any purchaser;
- 12.1.2 to sign, execute, seal and deliver, and otherwise perfect, any further Security Interests or other documents referred to in Clause 5; and
- 12.1.3 otherwise generally to sign, seal, execute and deliver all deeds, agreements and other documents and to do all acts and things which may be required for the full exercise of all or any of the powers conferred on the Security Trustee or a Receiver under this Deed or which may be deemed expedient by the Security Trustee or a Receiver in connection with any disposition, realisation or getting in of the Charged Assets or any part thereof or in connection with any other exercise of any power under this Deed.

12.2 Ratification

The Borrower ratifies and confirms and agrees to ratify and confirm all acts and things which any attorney pursuant to Clause 12.1 shall do, or purport to do, in the exercise of his powers under Clause 12.1.

13 MISCELLANEOUS

13.1 Continuing Security

This Deed and the obligations of the Borrower under this Deed shall:

- 13.1.1 secure the ultimate balance of the Secured Liabilities and shall be a continuing security notwithstanding any settlement of account due to any particular Beneficiary or other matter whatsoever until a final discharge of this security shall be given by the Security Trustee to the Borrower;
- 13.1.2 be in addition to, and not prejudice or affect, any present or future Security Interest, or any other right or remedy held by or available to the Security Trustee and/or Beneficiary; and
- 13.1.3 not merge with, or be in any way prejudiced or affected by the existence of, any such Security Interest, right or remedy.

13.2 Exercise of Rights

The rights of the Security Trustee under this Deed may be exercised as often as necessary, and may be waived only in writing with specific reference to the right concerned. Any delay in the exercise or non-exercise of any such right is not a waiver of that right.

13.3 Settlements Conditional

Any settlement or discharge between the Security Trustee and the Borrower will be conditional upon no security of, or disposition or payment to, the Security Trustee (whether by the Borrower or otherwise) being avoided or reduced or required to be paid away or refunded by virtue of any requirement or enactment (in each case whether or not having the force of law and whether relating to bankruptcy, insolvency, liquidation, administration or otherwise) at any time in force or by virtue of any obligation to give effect to any preference or priority and the Security Trustee shall be entitled to recover the value or amount of any such security or payment from the Borrower and to enforce this Deed as if such settlement or discharge had not occurred.

13.4 Set-off

- 13.4.1 The Security Trustee may, without notice to the Borrower, apply any credit balance which is at any time held by any office or branch of the Security Trustee for the account of the Borrower in or towards satisfaction of any sum then due and payable from the Borrower under this Deed.
- 13.4.2 The Security Trustee is not obliged to exercise any of its rights under this Clause, which shall be without prejudice and in addition to any rights of set-off, combination or consolidation of accounts, lien or similar rights which the Security Trustee has under any applicable law.

13.5 Land Registry

- 13.5.1 In respect of the Property charged by this Deed, the title to which is or is to be registered at the Land Registry, the Borrower:

- (a) certifies that the security created by this Deed does not contravene any of the provisions of the constitutional or other governing documents of the Borrower; and
- (b) hereby consents to the lodgement at the Land Registry of an application by or on behalf of the Security Trustee for the entry of the following restriction in the Proprietorship Register of any relevant Property:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [the date of this Deed] in favour of Close Brothers Limited referred to in the charges register or, if appropriate, signed on such proprietor's behalf by its secretary or conveyancer".

- 13.5.2 Any obligation on the part of the Security Trustee to make further advances to the Borrower under any document evidencing the Secured Liabilities shall be deemed to be incorporated in this Deed for the purposes of section 94(1)(c) of the Law of Property Act 1925 and Rule 108 of the Land Registration Rules 2003 and the Borrower hereby consents to the lodgement at the Land Registry of an application by or on behalf of the Security Trustee for the entry of a note of such obligation on the charges register of each of the titles referred to in Clause 13.5.1

13.6 No Responsibility for Loss

Neither the Security Trustee nor any Receiver shall be responsible for any loss occasioned by the timing of the exercise of its powers under this Deed.

13.7 No Liability as Mortgagee in Possession

Neither the Security Trustee nor any Receiver shall be liable to account as mortgagee or heritable creditor in possession in respect of all or any of the Charged Assets or be liable for any loss upon realisation or for any neglect or default of any nature whatsoever for which a mortgagee or heritable creditor in possession may be liable as such.

13.8 Perpetuity Period

The perpetuity period applicable to any trusts created by or arising under this Deed is 125 years.

13.9 Security Trust, the Security Trustee And the Beneficiaries

- 13.9.1 All Security and dispositions made or created, and all obligations and undertakings contained, in this deed to, in favour of or for the benefit of the Security Trustee are made, created and entered into in favour of the Security Trustee as trustee for the Beneficiaries from time to time.
- 13.9.2 The Security Trustee shall have only those duties, obligations and responsibilities expressly specified in this deed and shall not have any implied duties, obligations or responsibilities. In performing or carrying out its duties, obligations and responsibilities, the Security Trustee shall be considered to be acting only in a mechanical and administrative capacity (save as expressly provided in this deed) and shall not have or be deemed to have any duty, obligation or responsibility to or relationship of trust or agency with the Borrower.
- 13.9.3 The Borrower shall pay to the Security Trustee such reasonable fees in respect of its acting as Security Trustee as the Security Trustee and the Borrower may agree from time to time, if any.
- 13.9.4 The Borrower shall pay to and indemnify the Security Trustee for all costs reasonably incurred and expenses of the Security Trustee in the release of any Security created by the Borrower in favour of the Security Trustee (in each case including but not limited to legal fees and stamp duty) and all value added tax and similar tax charged or chargeable in respect thereof.
- 13.9.5 The Borrower shall indemnify the Security Trustee and keep it indemnified against all liabilities, costs, charges and expenses (including in each case value added tax and any similar tax charged or chargeable in respect thereof) to which the Security Trustee becomes subject by reason of being the Security Trustee or properly incurred by it or by any person appointed by it to whom any trust, power, authority or discretion may be delegated by it in the execution of the trusts, powers, authorities or discretions vested in the Security Trustee under this Deed.
- 13.9.6 The Beneficiaries may appoint a replacement Security Trustee after consultation with the Borrower and otherwise as provided by the terms of the Security Trust Deed. The Borrower shall take such action as may be necessary, and the Security Trustee at the request (and properly incurred cost) of the Borrower shall take such action as may be practicable, in order that the Security granted in favour of the Security Trustee shall provide for effective and perfected Security in favour of any replacement Security Trustee including making available to the replacement Security Trustee such documents and records as the replacement Security Trustee shall request.
- 13.9.7 The Security Trustee and any Receiver may from time to time delegate (including by power of attorney) to any person or persons (including, without limitation and for the avoidance of doubt, any Beneficiary or Beneficiaries) any of the powers, authorities and discretions that are for the time being exercisable by the Security Trustee or a Receiver under this deed. Any such delegation may be made upon such terms and conditions (including the power to sub-delegate) as the Security Trustee or such Receiver may think fit. Neither the Security Trustee nor any Receiver will be liable or responsible to the Borrower or any other person for any losses, liabilities or damages arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate.
- 13.9.8 The Security Trustee may assign and transfer all of its rights and obligations under this deed to a replacement Security Trustee appointed in accordance with the terms of the Security Trust Deed.

- 13.9.9 This deed shall remain in full force and effect and binding on the Borrower notwithstanding any amalgamation or merger that may be effected by the Security Trustee with, or the sale or transfer of all or any part of the Security Trustee's undertaking and assets to, another person.
- 13.9.10 Any member of the Close Group with which the Borrower enters into a financing arrangement that requires the Borrower to grant Security shall procure that the Security Trustee enter into the relevant security document with the Borrower and such member of the Close Group shall become a Beneficiary without further act or consent on the part of the Borrower. Promptly following a member of the Close Group becoming a Beneficiary the Security Trustee shall certify to the Borrower in writing that such member of the Close Group has satisfied all the Security Trustee's requirements for accession to the Security Trust Deed and has become a Beneficiary.

14 PARTIAL INVALIDITY

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provisions under the law of any other jurisdiction will in any way be affected or impaired.

15 TRANSFERS

15.1 Transfer by the Security Trustee

The Security Trustee may without restriction assign, transfer or declare a trust in respect of the whole or any part of its rights and obligations under or in respect of this Deed.

15.2 Transfer by the Borrower

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

15.3 Disclosure of Information

The Security Trustee may disclose to any person related to the Security Trustee and/or any person to whom it is proposing to assign, transfer or declare a trust in respect of the whole or any part of its rights and obligations under or in respect of this Deed or has already done so, any information about the Borrower and any person connected or associated with the Borrower. The Borrower represents and warrants that the Borrower has (and, subject to any contrary requirement of law, will maintain) any necessary authority and consent by or on behalf of any such connected or associated persons.

16 NOTICES

16.1 Communications in Writing

Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made by fax or letter. Any such communication by the Security Trustee may be signed by an officer, employee or agent of the Security Trustee.

16.2 Communications by the Security Trustee

Without prejudice to any other effective means of service, any communication by the Security Trustee may be served on the Borrower personally at, or by fax or by post to, the registered office or any place of business or last known address of the Borrower. Any such communication so served shall be deemed to have been received by the Borrower and to be effective:

- 16.2.1 if delivered personally, immediately upon delivery;
- 16.2.2 if by way of fax, when the Security Trustee has received a sent facsimile transmission report; and
- 16.2.3 if sent by post, on the 2nd Business Day following the day on which it was deposited in the post postage prepaid, even if returned undelivered.

16.3 Communication by the Borrower

Any communication or document to be made or delivered to the Security Trustee will be treated as delivered for the purposes of this Deed only when actually received by the Security Trustee.

17 CALCULATIONS AND CERTIFICATES

17.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with this Deed, the entries made in the accounts maintained by the Security Trustee are prima facie evidence of the matters to which they relate.

17.2 Certificates and Determinations

Any certification or determination by the Security Trustee under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

17.3 No set-off by the Borrower

All payments to be made by the Borrower under this Deed shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

18 LAW OF PROPERTY (MISCELLANEOUS PROVISIONS) ACT 1989

For the purposes of the Law of Property (Miscellaneous Provisions) Act 1989, any provisions of each document governing the terms of the Secured Liabilities and relating to any disposition of property shall be deemed to be incorporated in this Deed.

19 COUNTERPARTS

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

20 THIRD PARTY RIGHTS

Save as permitted in this Deed, a person who is not a Party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed. This Clause 20 does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

21 **GOVERNING LAW AND JURISDICTION**

This Deed, and any non-contractual obligations arising out of or in connection with it, shall be governed by and construed in accordance with English law and the Borrower irrevocably submits to the non-exclusive jurisdiction of the English courts.

IN WITNESS of which this Deed has been entered into and has been caused to be delivered on the date first stated.

SCHEDULE 1
The Original Beneficiaries

Name	Registration number and Jurisdiction of Incorporation
Close Invoice Finance Limited	00935949, England and Wales
Close Leasing Limited	6377532, England and Wales

SCHEDULE 2
The Property

The freehold property registered at Land Registry with title numbers NYK207444 and NYK306284 and known as the land and buildings on the south side of Fearby Road, Masham.

EXECUTION PAGE

EXECUTED (but not delivered until the date hereof) and delivered as a **DEED** by **THE BLACK SHEEP BREWERY PLC** acting by two directors or by one director and the company secretary

Director

Signature:

Name (in block capitals)

Director/Secretary

Signature:

Name (in block capitals)

EXECUTED (but not delivered until the date hereof) and delivered as a **DEED** by

Attor

In the

Witness

Signature:

Name:

Occupation:

Address: