



**Registration of a Charge**

Company name: **ST. MICHAELS PROPERTY DEVELOPMENT AND INVESTMENTS LIMITED**  
Company number: **10337920**

Received for Electronic Filing: **10/04/2018**



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**Details of Charge**

Date of creation: **29/03/2018**  
Charge code: **1033 7920 0001**  
Persons entitled: **MINT BRIDGING LIMITED**  
Brief description: **ALL THAT FREEHOLD PROPERTY AND BUILDINGS AT AND KNOWN AS 3 AND 5 CHARLES STREET, LEIGH, WIGAN, WN7 1DB AS TITLE TO THE SAME IS REGISTERED AT THE LAND REGISTRY UNDER TITLE NUMBER GM241152 AND 7 CHARLES STREET, LEIGH, WIGAN, WN7 1DB AS TITLE TO THE SAME IS REGISTERED AT THE LAND REGISTRY UNDER TITLE NUMBER GM516122**  
**Contains fixed charge(s).**  
**Contains floating charge(s) (floating charge covers all the property or undertaking of the company).**  
**Contains negative pledge.**

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**Authentication of Form**

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

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## Authentication of Instrument

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

Certified by: **ANTHONY BOON**



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

Company number: 10337920

Charge code: 1033 7920 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 29th March 2018 and created by ST. MICHAELS PROPERTY DEVELOPMENT AND INVESTMENTS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 10th April 2018 .

Given at Companies House, Cardiff on 12th April 2018

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



**Companies House**



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES

Sols Ref: 3420  
Mint Case Ref: MN016830

**ST. MICHAELS PROPERTY DEVELOPMENT AND INVESTMENTS LIMITED (1)**

**- and -**

**MINT BRIDGING LIMITED (2)**

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**LEGAL MORTGAGE  
BY**

**Corporate Mortgagor**

**of**

**3 and 5 Charles Street, Leigh, Wigan, WN7 1DB and  
7 Charles Street, Leigh, Wigan, WN7 1DB**

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THIS DEED is dated

29 March 2018

## **PARTIES**

- (1) **St. Michaels Property Development and Investments Limited** incorporated and registered in England and Wales with company number 10337920 whose registered office is at 19/21 Swan Street, West Malling, ME19 6JU (**Borrower**).
- (2) **MINT BRIDGING LIMITED** incorporated and registered in England and Wales with company number 07567483, of Peel House, 30 The Downs, Altrincham, Cheshire WA14 2PX as security trustee for each Group Company (**Lender**).

## **BACKGROUND**

- (A) The Lender has agreed pursuant to the Facility Letter to provide the Borrower with loan facilities on a secured basis.
- (B) The Borrower is the owner of the Property.
- (C) This mortgage provides security which the Borrower has agreed to give the Lender for the loan facilities made or to be made available under the Facility Letter.

## **AGREED TERMS**

### **1 Definitions and interpretation**

#### **1.1 Definitions**

The definitions and rules of interpretation in this clause apply in this mortgage;

**Business Day:** a day (other than a Saturday or Sunday or a public holiday in England) on which banks are open for general business in London;

**Certificate of Title:** any report on or certificate of title relating to the Property supplied to the Lender whether by the Borrower's solicitors or the Lender's solicitors;

**Charged Property:** all the assets, property and undertaking of the Borrower which from time to time are subject to any Encumbrance created or expressed to be created in favour of the Lender by or pursuant to this mortgage (and references to the Charged Property shall include references to any part of it);

**Costs:** all costs, charges, expenses, taxes, losses (including but not limited to direct, indirect or consequential losses), damages and liabilities of any kind, including (without limitation) costs and damages in connection with litigation, professional fees, disbursements and any VAT charged on any such items;

**Delegate:** any person appointed by the Lender or any Receiver pursuant to clause 14 and any person appointed as attorney of the Lender, Receiver or Delegate;

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

**Enforcement Event:** any event or circumstance listed in Schedule 2 (Enforcement Events);

**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, decisions of any court or tribunal, codes of practice guidance notes or other insofar as they relate to or apply to the protection of human health or the Environment or the conditions of the workplace or the generation, transportation, storage or treatment of hazardous items;

**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 term in the Facility Letter;

**Facility Letter:** the facility letter dated on or about the date of this mortgage between the Borrower and the Lender for the provision of the loan facilities secured by this mortgage;

**Floating Charge Property:** has the meaning ascribed to it in clause 4.1;

**Funder:** the provider or providers of funds to the Lender from time to time in relation to the loan facilities to the Borrower;

**Goodwill:** the goodwill of any business conducted now or at any time during the continuance of this security upon all or any part of the Charged Property;

**Group:** the Lender, MB (Syndicates) Limited (company number 09668684) and MHS Finance Limited (company number 08502037);

**Group Company:** each member of the Group;

**Insurance Policy:** each contract or policy of insurance effected or maintained from time to time in respect of the Property in which the Borrower may from time to time have an interest;

**Insurance Proceeds:** the proceeds of any claim under any Insurance Policy received by the Borrower;

**Loan:** has the meaning given to that term in the Facility Letter;

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

**Material Contract:**

- (a) [the sale and purchase agreement entered into on or before the date of this mortgage between the Borrower and the seller of the Property];
- (b) any other contract entered into by the Borrower that may from time to time be identified in writing by the Lender as a Material Contract; and
- (c) all Related Rights;

**Plant and Machinery:**

- (a) all equipment, machinery, plant and all other assets of a similar nature which are now, or are at any time, placed on or used in or upon the Property; and
- (b) all Related Rights;

**Property:**

- (a) all that freehold property and buildings at and known as 3 and 5 Charles Street, Leigh, Wigan, WN7 1DB as title to the same is registered at the Land Registry under title number GM241152 and 7 Charles Street, Leigh, Wigan, WN7 1DB as title to the same is registered at the Land Registry under title number GM516122;
- (b) any other freehold or leasehold property (whether registered or unregistered) owned by the Borrower from time to time;
- (c) any buildings, fixtures or fittings from time to time situated on or forming part of such property specified at paragraphs (a) and (b) above (including any trade fixtures and fittings); and
- (d) all Related Rights;

**Receiver:** a receiver, manager, administrator or administrative receiver of any or all of the Charged Property appointed pursuant to the provisions of this mortgage or any applicable law;

**Reduced Rate:** has the meaning given to that term in the Facility Letter;

**Related Rights:** in relation to any asset:

- (a) the proceeds of sale or any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, benefits, claims, contracts, warranties, remedies, security, indemnities or covenants for title in respect of that asset; and
- (d) any income, moneys and proceeds paid or payable in respect of that asset;

**Rent:** all amounts payable to or for the benefit of the Borrower by way of rent, licence fee, service charge, dilapidations, ground rent and rentcharge 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;

**Rent Account:** any account into which Rent is to be paid as designated by the Lender from time to time or such other account as may be renumbered or redesignated by the Lender from time to time;

**Secured Liabilities:** all present and future monies, obligations and liabilities due or owed by the Borrower to the Group Companies (or any of them), whether actual or contingent and whether due or owed jointly or severally as principal or surety and/or in any other capacity, including, without limitation, under or in connection with the Facility Letter and/or this mortgage or otherwise and on any account whatsoever (including, without limitation, those arising under clause 21.3(b)) together with all interest whether at the Reduced Rate or at the Standard Rate (as applicable) accruing in respect of such monies obligations or liabilities, all costs, charges and expenses owed to or properly incurred, directly or indirectly, by or on behalf of the Group Companies (or any of them) in connection with the protection, preservation or enforcement of its rights against the Borrower;

**Security Period:** the period starting on the date of this mortgage and ending on the date on which the Lender 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;

**Standard Rate:** has the meaning given to that term in the Facility Letter;

**Valuation:** any valuation relating to the Property supplied to the Lender by the Borrower (or on the Borrower's behalf); and

**VAT:** value added tax.

## 1.2 Interpretation

In this mortgage:

- (a) 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 re-enactment or extension;
- (b) unless the context otherwise requires, the expressions the **Borrower** and the **Lender** and **Group Company** include (if any) their respective successors in title, transferees and assigns whether immediate or derivative and where appropriate the survivors or survivor of them and where either party comprises two or more persons include any one or more of those persons;
- (c) an Enforcement Event is **continuing** if it has not been waived in writing by a Group Company;
- (d) unless the context otherwise requires, a reference to one gender shall include a reference to the other genders and words in the singular include the plural and vice versa;
- (e) a reference to a clause or Schedule is to a clause of, or Schedule to, this mortgage and references to paragraphs are to paragraphs of the relevant Schedule, unless the context otherwise requires;
- (f) a reference to **this mortgage** (or any provision of it) or any other document shall be construed as a reference to this legal mortgage, that provision or that document as it is in force for the time being and as amended in accordance with its terms or with the agreement of the relevant parties;
- (g) 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;
- (h) a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and **amended** shall be construed accordingly);
- (i) a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- (j) a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- (k) 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;
- (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 mortgage;
- (n) if there is an inconsistency between a defined term in this mortgage and in the Facility Letter, the provisions of this mortgage shall prevail;
- (o) where the expression **Borrower** consists of two or more persons, all the covenants on the part of the Borrower in this mortgage shall be read and construed as joint and several covenants and obligations and each such person shall be jointly and severally liable under this mortgage;
- (p) every provision contained in this mortgage shall be severable and distinct from every other such provision and if at any time any one or more of such provisions is or becomes invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining such provisions shall not in any way be affected thereby;
- (q) the fact that no or incomplete details of any Charged Property are inserted in the definition of 'Property' in clause 1.1 does not affect the validity or enforceability of the security created by this mortgage; and
- (r) if the Borrower assigns an agreement under this mortgage and the assignment or charge breaches a term of that agreement because a third party's consent has not been obtained:
  - (i) the Borrower must immediately notify the Lender;
  - (ii) unless the Lender otherwise requires, the Borrower must use all reasonable endeavours to obtain the consent as soon as possible; and
  - (iii) the Borrower must promptly supply the Lender with a copy of the consent.

### **1.3 Clawback**

If any Group Company 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 mortgage.

### **1.4 Law of Property (Miscellaneous Provisions) Act 1989**

For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Facility Letter and of any side letters between any parties in relation to the Facility Letter are incorporated into this mortgage to the extent required to ensure that any disposition of property contained in this mortgage is a valid disposition.

### **1.5 Third party rights**

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

### **1.6 Perpetuity period**

If the rule against perpetuities applies to this mortgage, the perpetuity period shall be 125 years from the date of this mortgage.

## **1.7 Schedules**

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

## **2 Covenant to pay**

The Borrower shall, on demand, pay to the Group Companies (or any of them) and discharge the Secured Liabilities as and when they become due.

## **3 Interest**

If the Borrower fails to make any payment due under this mortgage on the due date for payment, or if an Event of Default occurs, interest on the Loan shall accrue at the Standard Rate and the Reduced Rate of interest shall cease to apply. The Lender shall take account as provided in the Facility Letter of any interest which has been paid by the Borrower at the Reduced Rate when applying the Standard Rate.

## **4 Grant of security**

### **4.1 Legal mortgage and fixed charges**

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee (in accordance with the Law of Property (Miscellaneous Provisions) Act 1994) charges to the Lender (as security trustee for the Group Companies):

- (a) by way of first legal mortgage, the Property;
- (b) by way of first fixed charge all estates in any freehold or leasehold property now or subsequently owned by the Borrower (to the extent that they are not the subject of a mortgage under paragraph (a) above); and
- (c) by way of first fixed charge:
  - (i) all Plant and Machinery owned by it and its interest in any Plant and Machinery in its possession;
  - (ii) all rights, interests and claims in the Insurance Policy, Insurance Proceeds and Rent other than those validly and effectively assigned under clause 4.2;
  - (iii) all rights, interests and claims in the Material Contracts other than those validly and effectively assigned under clause 4.2;
  - (iv) the benefits of all licences, leases, agreements for sale, agreements for lease, consents and authorisations held in connection with its business operated at the Charged Property (if any) or the use of any Charged Property and the right to any compensation in respect of any of them;
  - (v) the benefits 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;
  - (vi) all monies from time to time standing to the credit of the Rent Account; and
  - (vii) the Goodwill;
- (d) by way of first floating charge, all moveable plant, machinery, implements, utensils, fixtures and fittings (including trade and tenant's fixtures and fittings) furniture and equipment from time to time placed on or used in or upon the Property and the benefits

of all licences, contracts and warranties in connection with the same (the "**Floating Charge Property**").

#### **4.2 Assignment**

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee assigns to the Lender all of its rights, title, interest and benefit from time to time in and to the:

- (a) Insurance Policy including the Insurance Proceeds;
- (b) the Rent and the benefit of any guarantee or security in respect of the Rent; and
- (c) Material Contracts,

provided that nothing in this clause 4.2 shall constitute the Lender as mortgagee in possession.

#### **4.3 Crystallisation of Floating Charge**

4.4 The Lender may at any time by notice in writing to the Borrower immediately convert the floating charge created by clause 4.1(d) into a fixed charge as regards any property or assets specified in the notice if:

- (a) an Enforcement Event has occurred; or
- (b) the Lender considers that any of the Charged Property may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process; or
- (c) the Lender considers that it is desirable in order to protect the priority of the security created under this mortgage.

4.5 If, without the prior written consent of the Lender:

- (a) any steps are taken for any of the Charged Property to become subject to any security in favour of any other person; or
- (b) any person levies or attempts to levy any distress, execution or other process against any of the Charged Property; or
- (c) a resolution is passed or an order is made for the winding-up, dissolution, or re-organisation of or any steps are taken for the appointment of an administrator in respect of the Borrower,

the floating charge created under clause 4.1(d) by the Borrower will automatically be converted (without notice) with immediate effect into a fixed charge in respect of the relevant Floating Charge Property.

4.6 The floating charge created under this mortgage shall not convert into a fixed charge solely by reason of a moratorium being obtained under the Insolvency Act 1986 (or anything done with a view to obtaining such a moratorium) in respect of the Borrower.

## **5 Perfection of security**

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

The Borrower consents to:

- (a) an application being made to the Land Registry for the following restriction in Form P to be entered on its registered 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 [ 27/3/2018 ] in favour of Mint Bridging Limited (company registration number 7567483) referred to in the charges register";

- (b) an application being made to the Land Registry for the following to be entered on its registered title to the Property:

"a notice that the [Lender] [proprietor of the charge dated [27/3/2018] in favour of Mint Bridging Limited] referred to above is under an obligation to make further advances and the charge dated [ 27/3/2018 ] in favour of Mint Bridging Limited secures those further advances."

and

- (c) an application being made to the Land Registry for the following restriction in standard Form T to be entered on its registered title to the Property:

"No disposition by the proprietor of the registered charge dated [ 27/3/2018 ] referred to above is to be registered without a written consent signed by the proprietors for the time being of the subcharge dated [ 27/3/2018 ] in favour of [ *full name of individual* ] c/o [ *insert conveyancers address* ] OR [ *full company name* ] incorporated and registered in England and Wales with company number [ *number* ] c/o conveyancers address]"

and the Borrower agrees that a letter from the Lender's solicitors to the Land Registry which identifies the Funders shall be sufficient and satisfactory evidence of the identity of the Funders and of the Funders' interest in the Property and of the interest of the Funders to prove the Funders' entitlement to have that restriction registered.

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

If any notice (whether agreed or unilateral) is registered against the Borrower's title to the Property, the Borrower shall immediately provide the Lender 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 mortgage, the Borrower shall immediately, and at the Borrower's own expense, take such steps as the Lender may require to ensure that the caution or notice, as applicable, is withdrawn or cancelled.

## **6 Liability of the Borrower and Immediate Recourse**

### **6.1 Liability not discharged**

The Borrower's liability under this mortgage 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, the Lender that is or becomes wholly or partially illegal, void or unenforceable on any ground;

- (b) the Lender renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or
- (c) any other act or omission, which but for this clause 6.1 might have discharged, or otherwise prejudiced or affected, the liability of the Borrower.

## **6.2 Immediate recourse**

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

## **7 Representations and warranties**

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

The Borrower makes the representations and warranties set out in this clause 7 to the Lender on the date of this mortgage and all of these 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.

### **7.2 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.

### **7.3 No Encumbrances**

The Charged Property is free from any Encumbrance other than the Encumbrances created by this mortgage.

### **7.4 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.

### **7.5 No adverse covenants**

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

### **7.6 No breach of laws**

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

### **7.7 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.

### **7.8 No overriding interests**

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

## **7.9 No prohibitions or breaches**

There is no prohibition on the Borrower assigning the Borrower's rights in any of the Charged Property referred to in clause 4.2 and the entry into this mortgage by the Borrower does not and will not constitute a breach of any policy, agreement, document, instrument or obligation binding on the Borrower or the Borrower's assets.

## **7.10 Environmental compliance**

In relation to the Property the Borrower has, at all times, complied in all material respects with all applicable Environmental Law and Environmental Licences.

## **7.11 Information for Valuations and Certificates of Title**

- (a) All written information supplied by the Borrower or on the Borrower's behalf for the purpose of each Valuation and Certificate of Title was true and accurate in all material respects as at its date or as at the date (if any) on which it was stated to be given.
- (b) The information referred to in clause 7.11(a) was, as at its date or as at the date (if any) on which it was stated to be given, complete and the Borrower did not omit to supply any information which, if disclosed, would adversely affect the Valuation or Certificate of Title.
- (c) In the case of the first Valuation and first Certificate of Title only, nothing has occurred from the date the information referred to in clause 7.11(a) was supplied to the date of this mortgage which would adversely affect such Valuation or Certificate of Title.

## **7.12 Avoidance of security**

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

## **7.13 Enforceable security**

This mortgage 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.

## **8 Covenants**

The Borrower covenants with the Lender in the terms set out in Schedule 1 (Covenants).

## **9 Powers of the Lender**

### **9.1 Power to remedy**

- (a) The Lender shall be entitled (but shall not be obliged) to remedy at any time a breach by the Borrower of any of the Borrower's obligations contained in this mortgage and the Borrower irrevocably authorises the Lender and its agents to do all such things as are necessary or desirable for that purpose.
- (b) Any monies expended by the Lender in remedying a breach by the Borrower of the Borrower's obligations contained in this mortgage, shall be reimbursed by the Borrower to the Lender on a full indemnity basis and shall carry interest in accordance with clause 16.1.
- (c) In remedying any breach in accordance with this clause 9.1, the Lender, its agents and their respective officers, agents and employees shall be entitled to enter onto the Property and to take any action as the Lender may reasonably consider necessary or

desirable including, without limitation, carrying out any repairs, other works or development at the sole cost of the Borrower.

## **9.2 Exercise of rights**

The rights of the Lender under clause 9.1 are without prejudice to any other rights of the Lender under this mortgage. The exercise of any rights of the Lender under this mortgage shall not make the Lender liable to account as a mortgagee in possession.

## **9.3 Lender has Receiver's powers**

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

## **9.4 Conversion of currency**

For the purpose of or pending the discharge of the Secured Liabilities, the Lender may, in its sole discretion, convert any moneys received, recovered or realised in any currency under this mortgage (including the proceeds of any previous conversion under this clause) from their existing currency into any other currency at such rate or rates of exchange and at such time as the Lender thinks fit.

## **9.5 New accounts**

- (a) If the Lender receives, or is deemed to have received, notice of any subsequent Encumbrance or other interest, affecting all or part of the Charged Property, the Lender may open a new account for the Borrower in the Lender's books. Without prejudice to the Lender'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 the Lender does not open a new account immediately on receipt of the notice, or on deemed notice, referred to in clause 9.5(a) then, unless the Lender gives express written notice to the contrary to the Borrower, all payments made by the Borrower to the Lender 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 the Lender.

## **9.6 Lender's set-off rights**

In addition to any general lien or similar rights to which it may be entitled by operation of law, the Lender may at any time and without notice to the Borrower combine or consolidate all or any of the Borrower's then existing accounts with any liabilities to the Lender and set off or transfer any sum or sums standing to the credit of any one of more of such accounts in or towards satisfaction of the Secured Liabilities.

## **9.7 Indulgence**

The Lender 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 mortgage (whether or not such person is jointly liable with the Borrower) in respect of any of the Secured Liabilities or of any other security for them without prejudice either to this mortgage or to the liability of the Borrower for the Secured Liabilities.

## **10 When security becomes enforceable**

### **10.1 Security becomes enforceable on occurrence of an Enforcement Event**

The security constituted by this mortgage shall be immediately enforceable if an Enforcement Event occurs.

### **10.2 Discretion**

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

## **11 Enforcement of security**

### **11.1 Enforcement powers**

- (a) The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this mortgage) shall, as between the Lender and a purchaser from the Lender, arise on and be exercisable at any time after the execution of this mortgage, but the Lender shall not exercise such power of sale or other powers until the security constituted by this mortgage has become enforceable under clause 10.1.
- (b) Section 103 of the LPA 1925 (restricting the power of sale) does not apply to the security constituted by this mortgage.

### **11.2 Extension of statutory powers of leasing**

At any time after the security created under this mortgage becomes enforceable, the Lender may lease or make arrangements to lease, at a premium or otherwise, and accept surrenders of leases without any restriction and in particular without the need to comply with any restrictions imposed by sections 99 and 100 of the LPA 1925.

### **11.3 Prior encumbrances**

At any time after the security constituted by this mortgage has become enforceable, or after any powers conferred by any Encumbrance having priority to this mortgage shall have become exercisable, the Lender may:

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

and the settlement of any such account shall be, in the absence of any manifest error, conclusive and binding on the Borrower and all monies paid by the Lender to an encumbrancer in settlement of such an account shall, as from its payment by the Lender, be due from the Borrower to the Lender on current account and shall bear interest at the Standard Rate of interest as specified in the Facility Letter and be secured as part of the Secured Liabilities.

### **11.4 Protection of third parties**

No purchaser, mortgagee or other person dealing with the Lender, 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;



(b) whether any power which the Lender, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable; or

(c) how any money paid to the Lender, any Receiver or Delegate is to be applied.

#### **11.5 Privileges**

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

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

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

#### **11.7 Relinquishing possession**

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

#### **11.8 Conclusive discharge to purchasers**

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

### **12 Receivers**

#### **12.1 Appointment**

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

#### **12.2 Removal**

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

#### **12.3 Remuneration**

The Lender 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 mortgage, which shall be due and payable immediately on its being paid by the Lender.

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

The power to appoint a Receiver conferred by this mortgage shall be in addition to all statutory and other powers of the Lender 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.

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

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

## **12.6 Agent of the Borrower**

Any Receiver appointed under this mortgage 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 the Lender.

## **12.7 Removal and sale of chattels**

The Lender or any Receiver (as the case may be) is hereby irrevocably authorised as agent for the Borrower at any time after demand has been made under clause 2 to use, remove, store, sell or otherwise deal with any moveable plant, machinery, implements, utensils, furniture, equipment, stock in trade, work in progress and other chattels of the Borrower situated at the Property (but without thereby becoming mortgagee in possession of the Property) and neither the Lender nor any Receiver shall be liable for any loss or damage occasioned to the Borrower. The Borrower shall indemnify the Lender and/or any such Receiver against all expenses incurred in relation to such items. The Lender or the Receiver (as the case may be) shall pay to the Borrower the net proceeds of sale arising from any sale of such items pursuant to the provisions of this clause 12.7 after deduction of the monies owing to the Lender.

## **13 Powers of Receiver**

### **13.1 Powers additional to statutory powers**

- (a) Any Receiver appointed by the Lender under this mortgage shall, in addition to the powers conferred on him by statute, have the powers set out in clauses 13.2 to 13.20.
- (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 mortgage individually and to the exclusion of any other Receiver.
- (c) Any exercise by a Receiver of any of the powers given by clause 13 may be on behalf of the Borrower, the directors of the Borrower or himself.

### **13.2 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.

### **13.3 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.

### **13.4 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.

**13.5 VAT options to tax**

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

**13.6 Remuneration**

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

**13.7 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.

**13.8 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.

**13.9 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 the Charged Property to be disposed of by him.

**13.10 Sever fixtures and fittings**

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

**13.11 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.

**13.12 Make settlements**

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

**13.13 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.

**13.14 Insure**

A Receiver may, if he thinks fit, but without prejudice to the indemnity in clauses 12.7 and 16.2, 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 mortgage.

### **13.15 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.

### **13.16 Borrow**

A Receiver may, for any of the purposes authorised by this clause 13, raise money by borrowing from any Group Company (or from any other 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 the Lender consents, terms under which such security ranks in priority to this mortgage).

### **13.17 Redeem prior Encumbrances**

A Receiver may redeem any prior Encumbrance and settle and pass the accounts to which the Encumbrance relates. Any accounts so settled and passed shall be, 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.

### **13.18 Delegation**

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

### **13.19 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.

### **13.20 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;
- (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 mortgage or law; or
- (c) which he lawfully may or can do as agent for the Borrower.

## **14 Delegation**

### **14.1 Delegation**

The Lender 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 mortgage (including the power of attorney granted under clause 18.1).

### **14.2 Terms**

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

### **14.3 Liability**

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

## **15 Application of proceeds**

### **15.1 Order of application**

All monies received by the Lender, a Receiver or a Delegate pursuant to this mortgage after the security constituted by this mortgage has become enforceable (other than any sums received pursuant to 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 the Lender (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this mortgage and all remuneration due to any Receiver under or in connection with this mortgage;
- (b) in or towards payment of or provision for the Secured Liabilities in such order and manner as the Group Companies may from time to time agree; and
- (c) in payment of the surplus (if any) to the Borrower or other person entitled to it.

### **15.2 Appropriation**

Neither the Lender nor any Receiver or 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.

### **15.3 Suspense account**

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

- (a) may, at the discretion of the Lender, Receiver or 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 the Lender and the Borrower; and
- (c) may be held in such account for so long as the Lender, Receiver or Delegate thinks fit.

## **16 Costs and indemnity**

### **16.1 Costs**

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

- (a) this mortgage or the Charged Property;
- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lender's, a Receiver's or Delegate's rights or powers under this mortgage; or

- (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 Standard Rate and in the manner specified in the Facility Letter.

## **16.2 Indemnity**

The Borrower shall indemnify the Lender, 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 connection with 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 mortgage or by law in respect of the Charged Property;
- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this mortgage; or
- (c) any default or delay by the Borrower in performing any of the Borrower's obligations under this mortgage

and any representative of the Lender or any Funder or of the Receiver may enforce the terms of this clause 16 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

## **17 Further assurance**

The Borrower shall, at the Borrower's own expense, take whatever action the Lender or any Receiver may reasonably require in respect of any of the following:

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

including, without limitation, if the Lender 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 the Lender or to its nominee) and the giving of any notice, order or direction and the making of any registration.

## **18 Power of attorney**

### **18.1 Appointment of attorneys**

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

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

## **18.2 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 18.1.

## **19 Release**

Subject to clause 21.3, on the expiry of the Security Period (but not otherwise), the Lender shall, at the request and cost of the Borrower, take whatever action is necessary to release the Charged Property from the security constituted by this mortgage and/or reassign the Charged Property to the Borrower.

## **20 Assignment and transfer**

### **20.1 Assignment by Lender**

At any time, without the consent of the Borrower, the Lender or any other Group Company may assign or transfer the whole or any part of its rights and/or obligations under this mortgage to any person including without limitation a Funder and the Lender or any other Group Company may disclose to any actual or proposed assignee or transferee including without limitation a Funder such information about the Borrower, the Charged Property and this mortgage it considers appropriate.

### **20.2 Assignment by Borrower**

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

## **21 Further Provisions and Continuing Security**

### **21.1 Independent security**

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

### **21.2 Continuing security**

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

### **21.3 Discharge conditional**

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

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

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

#### **21.4 Certificates**

A certificate or determination by a Group Company 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.

#### **21.5 Rights cumulative**

The rights and powers of the Lender and of any Receiver or Delegate conferred by this mortgage are cumulative, may be exercised as often as the Lender Receiver or Delegate considers appropriate, and are in addition to their respective rights and powers under the general law.

#### **21.6 Variations and waivers**

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

#### **21.7 Further exercise of rights**

Subject and without prejudice to clause 21.6 no act or course of conduct or negotiation by or on behalf of any Group Company shall, in any way, preclude any Group Company from exercising any right or power under this mortgage or constitute a suspension or variation of any such right or power.

#### **21.8 Delay**

No delay or failure by any Group Company to exercise any of its rights or powers under this mortgage shall operate as a waiver thereof.

#### **21.9 Single or partial exercise**

No single or partial exercise by any Group Company of any of its rights or powers under this mortgage shall prevent any other or further exercise of that or any other right or power.

#### **21.10 Consolidation**

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

#### **21.11 Partial invalidity**

The invalidity, unenforceability or illegality of any provision (or part of a provision) of this mortgage under the laws of any jurisdiction shall not affect the validity, enforceability or legality of the other provisions. If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted or otherwise modified, the provision shall apply with the minimum degree of modification that is consistent with the commercial intention of the parties so as to render it valid enforceable or legal.

#### **21.12 Counterparts**

This mortgage may be executed and delivered in any number of parts and/or counterparts, each of which when executed and delivered shall constitute an original and all such parts and



counterparts shall together have the same effect as if each party had signed the same single document.

## **22 Notices**

### **22.1 Service**

- (a) Every notice or other communication required to be given to the Lender under or in connection with this mortgage shall be in writing and shall be delivered only by the Royal Mail's "signed for" or recorded delivery postal service to:

Address: Peel House  
30 The Downs  
Altrincham  
Cheshire  
WA14 2PX

For the attention of: The Directors,

or to such other address or marked for the attention of such other person(s) as from time to time may be notified in writing in accordance with clause 22.1(b) by the Lender to the Borrower for such purpose.

- (b) Every notice, demand or other communication required to be given to the Borrower under, or in connection with, this mortgage shall be in writing and shall be delivered personally or sent by pre-paid first class post letter to:

Address: the registered office address of the Borrower from time to time,

For the attention of: The Directors,

or to such other address, or marked for the attention of such other person, as from time to time may be notified in writing in accordance with clause 22.1(a) by the Borrower to the Lender for such purpose, or to the solicitors or other conveyancers who acted for the Borrower in connection with the creation of this mortgage and the transaction to which it relates (and the Borrower hereby irrevocably appoints those solicitors or conveyancers to receive such notices, demands or other communications and to accept service of process pursuant to clause 23.2 by personal delivery or prepaid first class post letter).

### **22.2 Receipt by Borrower**

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

- (a) If sent by e-mail, when sent;
- (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 pre-paid first-class post,

provided that a notice or other communication given as described in clause 22.2(a) or clause 22.2(b) on a day which is not a Business Day or after 2pm in the place of receipt shall be deemed to have been received on the next Business Day.

### **22.3 Multiple Borrowers**

If the expression the **Borrower** includes more than one person, service on any one person shall be deemed to constitute service upon all such persons.

### **22.4 Receipt by Lender**

Any notice or other communication given to the Lender shall be deemed to have been received only if sent as provided in clause 22.1(a) and only on actual receipt by the Lender.

## **23 Governing Law Jurisdiction and Other Service**

### **23.1 Governing law**

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

### **23.2 Jurisdiction**

This mortgage and other agreements entered into by the Lender and the Borrower shall be deemed to have been made in England. The validity, construction and performance of this mortgage and all other rights and liabilities arising in connection with this mortgage or its subject matter or formation (including non-contractual disputes or claims) shall be governed by English law and shall be subject to the exclusive jurisdiction of the High Court of Justice Manchester District Registry or Manchester County Court as appropriate, to which the parties submit. Each party waives any objection to proceedings in such Courts on the grounds of venue or on the grounds that the proceedings have been brought in an inconvenient forum.

### **23.3 Other service**

The Borrower irrevocably consents to any process in any proceedings under clause 23.2 being served on it in accordance with the provisions of this mortgage relating to service of notices but nothing contained in this mortgage shall affect the right to serve process in any other manner permitted by law.

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

## **Schedule 1 (Covenants)**

### **Part 1**

#### **General covenants**

#### **1 Negative pledge and disposal restrictions**

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

- (a) create, purport to create or permit to subsist any Encumbrance on, or in relation to, any Charged Property other than any Encumbrance created by this mortgage;
- (b) sell, discount, factor, assign, lease, lend, 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 which would or might depreciate, jeopardise or otherwise prejudice the security held by the Lender or materially diminish the value of any of the Charged Property or the effectiveness of the security created by this mortgage.

#### **3 Compliance with laws and regulations**

3.1 The Borrower shall not, without the Lender'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 consents or authorisations that are required in connection with the Charged Property or its use and 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 the Borrower 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 the Lender 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 the Lender notice in writing of:

- (a) any representation or warranty set out in clause 7 which is incorrect or misleading in any material respect when made or deemed to be repeated; and/or
- (b) any breach of covenant set out in this mortgage.

## **6 Title documents**

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

- (a) all deeds and documents of title relating to the Charged Property which are in the possession or control of the Borrower (and 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 Material Contract, certified to be a true copy by the Borrower's solicitors.

## **7 Notices to be given by the Borrower**

The Borrower shall immediately on the execution of this mortgage:

- (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) pursuant to clause 4.2(a) and procure that each addressee of such notice promptly provides an acknowledgement of that notice to the Lender;
- (b) give notice to each of the other parties to the Material Contracts and any guarantee or security for the performance of a Material Contract of the assignment of the Borrower's rights and interest in and under the Material Contracts and each guarantee or security for the performance of a Material Contract pursuant to clause 4.2(c) and procure that each addressee of such notice promptly provides an acknowledgement of that notice to the Lender; and
- (c) give notice to the bank, financial institution or other person (excluding the Lender) with whom the Borrower has the Rent Account of the charging to the Lender of the Borrower's rights and interests in the Rent Account pursuant to clause 4.1(c)(vi) and procure that each addressee of such notice promptly provides an acknowledgement of that notice to the Lender.

and the Borrower shall obtain the Lender's prior written 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 which the Borrower may have in respect of the Secured Liabilities (including sums payable by the Borrower under this mortgage).

## **Part 2**

### **Material Contracts covenants**

#### **1 No waiver of rights**

The Borrower shall not, without the prior written consent of the Lender, waive any of the Borrower's rights under any Material Contract.

#### **2 No amendment or termination**

The Borrower shall not, without the prior written consent of the Lender, supplement, amend, novate, terminate or permit termination of any Material Contract.

## **Part 3**

### **Property covenants**

#### **1 Repair and maintenance**

The Borrower shall keep all premises, and fixtures and fittings on the Property in 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.

#### **2 No alterations**

2.1 The Borrower shall not, without the prior written consent of the Lender (or save as previously disclosed to the Lender prior to the date of this mortgage):

- (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 1 (Covenants)).

2.2 The Borrower shall promptly give notice to the Lender 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 the Lender (or save as previously disclosed to the Lender prior to the date of this mortgage):

- (a) make or, in so far as the Borrower 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 (or where, in the case of any leasehold property, insurance is the responsibility of the landlord under the terms of the lease, either procure that the landlord insures and keeps insured or, if and to the extent that the landlord does not do so, itself insure and keep insured) the Charged Property against:

- (a) loss or damage by fire or terrorist acts;
- (b) other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Borrower; and
- (c) any other risk, perils and contingencies as the Lender may reasonably require

and any such insurance must be with an insurance company or underwriters and on such terms as are reasonably acceptable to the Lender and must be for not less than the reinstatement value of the Charged Property and must cover 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, if requested by the Lender, produce to the Lender the policy, certificate or cover note relating to any such insurance required by paragraph 4.1 of this Part 3 of Schedule 1 (Covenants) (or where, in the case of any leasehold property, such insurance is effected by the landlord, such evidence of insurance as the Borrower is entitled to obtain from the landlord under the terms of the relevant lease).
- 4.3 The Borrower shall, if requested by the Lender, procure that either a note of the Lender's interest is endorsed upon **OR** the Lender is named as co-insured with the Borrower on each Insurance Policy maintained by the Borrower or any person on the Borrower's behalf in accordance with paragraph 4.1 of this Part 3 of Schedule 1 (Covenants) and that the terms of each Insurance Policy require the insurer not to invalidate the policy as against the Lender by reason of the act or default of any other joint or named insured nor to cancel it without giving at least 30 days' prior written notice to the Lender.

## **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 the Lender so requires) give to the Lender copies of the receipts for all premiums and other payments necessary for effecting and keeping up each Insurance Policy (or where, in the case of leasehold property, insurance is effected by the landlord, such evidence of the payment of premiums as the Borrower is entitled to obtain from the landlord under the terms of the relevant lease).

## **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 mortgage has become enforceable) shall:

- (a) be paid immediately to the Lender; or
- (b) if they are not paid directly to the Lender by the insurers, be held, pending such payment, by the Borrower as trustee of the same for the benefit of the Lender; and
- (c) at the option of the Lender, 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 the Lender (which consent in the case of paragraph 8(d) is not to be unreasonably withheld or delayed if under the terms of the relevant lease or licence or by law the Borrower may not unreasonably withhold or delay its consent):

- (a) grant or agree to grant any licence or tenancy affecting the whole or any part of the Property, or exercise or agree to exercise the statutory powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925 in favour of any person, including without limitation in favour of any person who in relation to the Borrower is a "connected person" within the meaning of section 252 of the Companies Act 2006 or as defined in section 96(B)(2) and schedule 11B of the Financial Services and Markets Act 2000;
- (b) in any other way dispose of, accept the surrender of, surrender or create 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 in favour of any person, including without limitation in favour of any person who in relation to the Borrower is a "connected person" within the meaning of section 252 of the Companies Act 2006 or as defined in section 96(B)(2) and schedule 11B of the Financial Services and Markets Act 2000;
- (c) let any person into occupation of or share occupation of the whole or any part of the Property; 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 the Lender, 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 and Superior Interests**

- (a) The Borrower shall procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of the Property, without the prior written consent of the Lender.
- (b) If the Property is leasehold the Borrower shall not acquire any legal or equitable interest in any reversionary interest in the lease under which the Borrower holds the Property or any other superior interest in the Property

## **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 the Lender so requires) produce to the Lender evidence sufficient to satisfy the Lender that those covenants, stipulations and conditions have been observed and performed; and
- (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 the Lender of any notice, order, direction, designation, resolution, application, requirement or proposal given or made by any public or local body or authority (a "**Notice**") that specifically applies to the Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Notice; and
- (b) (if the Lender so requires) immediately, and at the cost of the Borrower, take all reasonable and necessary steps to comply with any Notice, and make, or join with the Lender in making, such objections or representations in respect of any such Notice as the Lender thinks fit.

### **12.2 The Borrower shall give full particulars to the Lender of any claim, notice or other communication served on the Borrower 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 rent and outgoings**

The Borrower shall:

- (a) where the Property or part of it is held under a lease, duly and punctually pay all rents due from time to time; and
- (b) 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:

- (a) 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 the Lender, agree to any change in rent to less than the open market rental value of the relevant part of the Property; and
- (b) shall not, without the prior written consent of the Lender, if the Property is leasehold, agree to any change in the rent payable under the lease in excess of the open market rental value and shall only agree to any upwards rent review in accordance with the terms of the lease.

## **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 the Borrower's trade and business on those parts (if any) of the Property as are used for the purposes of the Borrower's 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 the Lender and any Receiver and any person appointed by either of them to enter on and inspect the Property on twenty-four hours' prior notice.

## **18 VAT option to tax**

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

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

# **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 the Borrower's business and shall, immediately on receipt, pay all Rent into the Rent Account or into such other account as the Lender may direct from time to time. The Borrower shall, pending such payment in to the Rent Account or other account, hold all Rent on trust for the Lender.
- 1.2 The Borrower agrees with the Lender that any monies received by the Lender under paragraph 1.1 of this Part 4 of Schedule 1 (Covenants) shall not constitute the Lender as mortgagee in possession of the Property.
- 1.3 The Borrower agrees with the Lender that the Borrower shall not be entitled to receive, utilise, transfer or withdraw any credit balance from time to time on the Rent Account except with the prior written consent of the Lender.

### **2 Notice of assignment of Rent**

The Borrower shall, promptly following the occurrence of an Enforcement Event, give notice in a form approved in writing by the Lender to the relevant tenant, guarantor or provider of security of the assignment pursuant to clause 4.2(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 the Lender.

## **Schedule 2 (Enforcement Events)**


### **1 Enforcement events**

This mortgage shall be enforceable if:

- (a) any of the Secured Liabilities are not paid or discharged when the same are due to be paid or discharged by the Borrower (whether on demand, at scheduled maturity, or by acceleration or otherwise, as the case may be); or
- (b) the Borrower is in breach of any of the Borrower's obligations under this mortgage or under any other agreement between the Borrower and the Lender or any Event of Default occurs and, other than a breach of the obligations under clause 2 of this mortgage, that breach (if capable of remedy) has not been remedied to the satisfaction of the Lender within 14 days of the earlier of the Lender giving notice to the Borrower to remedy the breach or the Borrower becoming aware of the breach; or
- (c) the Borrower:
  - (i) becomes unable to pay its debts as they fall due and/or the value of the Borrower's assets is less than the amount of its liabilities, taking into account the Borrower's contingent and prospective liabilities; or
  - (ii) commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness; or
  - (iii) makes a general assignment for the benefit of, or a composition with, its creditors; or
- (d) the Borrower passes any resolution or takes any corporate action, or a petition is presented or proceedings are commenced, or any action is taken by any person for the winding-up, dissolution, administration or re-organisation of the Borrower or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of the Borrower or of any or all of the Borrower's revenues or assets; or
- (e) a distress, execution, attachment or other legal process is levied, or enforced on or is issued against all or any part of the assets of the Borrower and remains undischarged for seven days; or
- (f) any event occurs in relation to the Borrower that is analogous to those set out in paragraph 1(c), paragraph 1(d) or paragraph 1(e) of this **Schedule 2 (Enforcement Events)**; or
- (g) all or a material part of the Property is destroyed or materially damaged which in the opinion of the Lender:
  - (i) any insurance proceeds will be insufficient to make good the destruction or damage;
  - (ii) repair or restoration is likely to take longer than 6 months to be completed; or
  - (iii) the borrower's business is likely to be materially adversely affected;
- (h) all or any substantial part of the Property is compulsorily purchased or is subject to an order for compulsory purchase;
- (i) any representation, warranty or statement made or deemed to be made by the Borrower under this mortgage is or proves to have been incomplete untrue incorrect or misleading when made or deemed to be made

and in any such event (whether or not the event is continuing), without prejudice to any other rights of the Lender, the powers of sale under the Law of Property Act 1925 shall immediately be exercisable and the Lender may, in its absolute discretion, enforce all or any part of the security created by this mortgage as it sees fit.

Signed as a deed by  
**St. Michaels Property Development  
and Investments Limited**  
acting by **Stephen Brinley Owens**  
a director,



Director

STEPHEN OWENS

Print name

in the presence of:

Witness Name: LORNA LEWIS

Witness Signature: 

Witness Address: MD LAW 270 NORTH RD CARDIFF

Witness Occupation: SOLICITOR

AND

**St. Michaels Property Development  
and Investments Limited**  
acting by **Gillian Ann Owens**  
a director,



Director

GILLIAN OWENS

Print name

in the presence of:

Witness Name: LORNA LEWIS

Witness Signature: 

Witness Address: MD LAW 270 NORTH RD CARDIFF

Witness Occupation: SOLICITOR