



SEQ27

THIS DEED OF LEGAL MORTGAGE is made the  
Two Thousand and ~~Seven~~ *Eight*

12 day of *September*

15

BETWEEN:



1. Joint and Several Obligations

If the expression "Mortgagor" includes more than one person it shall be construed as referring to all or any one or more of those persons and obligations of the Mortgagor shall be joint and several.

2. Covenant to pay

The Mortgagor will pay or discharge on the Bank's demand, and this Legal Mortgage shall be a continuing security to the Bank for the payment or discharge on demand by the Bank of, the following indebtednesses, liabilities and obligations (whether any such indebtedness, liability or obligation shall be the sole indebtedness, liability or obligation of the Mortgagor or shall be a joint indebtedness, liability or obligation with any other person, firm or company and whether with or without other security and whether any such indebtedness, liability or obligation arises, or is incurred or payable, in the United Kingdom or elsewhere):-

- (i) all present and future indebtedness of the Mortgagor to the Bank on any current, advance, loan or other account whatsoever;
- (ii) all liabilities whatsoever of the Mortgagor to the Bank present or future in respect of notes or bills discounted or paid or bills or drafts accepted or endorsed or guarantees, indemnities, bonds, letters of credit, documentary credits or similar instruments issued for or at the request of the Mortgagor or other loans, credits or advances made to or for the accommodation or at the request of the Mortgagor;
- (iii) all other liabilities and obligations whatsoever of the Mortgagor to the Bank present or future, actual or contingent, howsoever arising and whether or not initially incurred to the Bank (including, without limitation, liabilities and obligations as surety or guarantor); and
- (iv) all obligations in respect of legal and other costs, charges, fees and expenses (including, without limitation, value added tax) now or in the future owed to or incurred directly or indirectly by the Bank in relation to this security or any other security held by the Bank in connection with advances or other banking facilities or accommodation offered or made to the Mortgagor or in relation to the enforcement or attempted enforcement of any such security or in relation to any judicial, arbitration or other proceedings (by whomsoever and wheresoever commenced) in connection with any such security or its enforcement or attempted enforcement, or arising out of, or in relation to, any action undertaken by or on behalf of the Bank, or by a receiver appointed by the Bank, in respect of or in any way relating to this Legal Mortgage or the Secured Property (as defined below) or arising out of or in any way relating to or in respect of any such indebtednesses, liabilities or obligations on a full and unqualified indemnity basis

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*Dickinson Dees LLP*  
DICKINSON DEES LLP 23/9/08.

together in each of the cases mentioned in paragraphs (i), (ii), (iii) and (iv) of this Clause with all interest, fees, commissions and bank and discount charges due or owing or payable to the Bank from or by the Mortgagor, such interest being computed and compounded in each such case according to the usual practice of the Bank and so that interest shall be payable at the same rate as well after as before any judgment. The certificate of the Bank as to the amount at any time secured hereby shall save in the case of manifest error be conclusive as against the Mortgagor.

3. Charges

(A) The Mortgagor with full title guarantee and as a continuing security for the payment and discharge of all the indebtednesses, liabilities and obligations described in Clause 2 hereof hereby:-

- (i) charges in favour of the Bank by way of legal mortgage the property specified in the Schedule hereto and each and every part thereof and all buildings, erections and structures (whether in the course of construction or otherwise) and fixtures and fittings and fixed plant and machinery now or hereafter thereon and all improvements and additions thereto (hereinafter called the "Mortgaged Property" which expression shall where the context admits or requires include either the whole or any part thereof) and with the benefit of all existing and future leases, underleases, tenancies, agreements for lease, rights, covenants, undertakings, warranties (including, without limitation, collateral warranties), guarantees, indemnities and conditions from time to time affecting the same (subject to the provisions hereof) but otherwise free from encumbrances;
- (ii) (if the Mortgagor is a body corporate) charges in favour of the Bank by way of floating charge all moveable plant, machinery, implements, utensils, furniture and equipment now or from time to time placed on or used in or about the Mortgaged Property (which property shall be included in the expression "the Mortgaged Property");
- (iii) charges in favour of the Bank by way of fixed charge all the benefit of and the right to enforce all contracts and agreements (if any) for the sale, purchase, leasing, mortgaging, management or other dealing with the Mortgaged Property and all building contracts and agreements (if any) for professional and other services (including, without limitation, any collateral warranties) and all other contracts and agreements and bonds (if any) now or from time to time entered into for the purpose of carrying out any development of the Mortgaged Property or for the purposes related to any building contracts in relation to the Mortgaged Property (in each case including for the avoidance of doubt its rights against any person giving any guarantee, indemnity or security for the performance of any obligations under any said contract or agreement);
- (iv) charges in favour of the Bank by way of fixed charge all rents and licence fees now or hereafter owing to it in respect of the Mortgaged Property (hereinafter called "Rents") but so that nothing in this paragraph and no arrangement (express or implied) in respect of the Rents or any of them shall constitute the Bank a mortgagee in possession;

- (v) charges in favour of the Bank by way of fixed charge all its rights, title and interest in and to, and in the proceeds of, all present and future insurances in respect of the Mortgaged Property (including, without limitation, any rights of subrogation arising therefrom) and all the benefit of, and rights under, or in respect of, all contracts, agreements, deeds, undertakings, guarantees, warranties, indemnities, other documents, compositions, accommodations and other transactions or arrangements now or hereafter entered into by or granted to, or vested in, or novated or assigned to, the Mortgagor in relation to or in respect of or in connection with any present or future insurance in respect of the Mortgaged Property (including, without prejudice to the generality of the foregoing, all the benefit, and rights in respect of, any ex-gratia payment);
- (vi) charges in favour of the Bank by way of fixed charge all its right, title and interest in and to all or any moneys from time to time received by it or its agents or solicitors or now or hereafter owing to it (whether such moneys are received or owing by way of deposit or on account of the purchase price or as stakeholders or for its own use and benefit or otherwise) in respect of any sale, letting, mortgage, charge or other dealing with the Mortgaged Property or in respect of any compensation or other payment relating to the Mortgaged Property and its right to make demand for, or to receive, any of the same;
- (vii) (if the Mortgagor is a body corporate) charges in favour of the Bank by way of floating charge the property, assets and rights described in paragraphs (i),(iii),(iv),(v) and (vi) of this sub-clause (if and in so far as the charges thereon set out in those paragraphs shall for any reason be ineffective as fixed charges or if and in so far as the fixed charges thereon hereby created shall for any reason be released)

Provided that the Mortgagor shall not without the previous consent in writing of the Bank (and then only to the extent that such consent permits and in accordance with any conditions thereof) create or attempt to create any mortgage, pledge, charge or other encumbrance on or over the Secured Property (as defined below) or permit any lien or other encumbrance to arise or subsist on or affect the Secured Property and the Mortgagor shall not (save as aforesaid) increase or extend any liability of the Mortgagor secured on the Secured Property (other than any liability to the Bank).

The floating charge contained in clause 3(vii) is a "Qualifying Floating Charge" within the meaning of paragraph 14 of Schedule B1 to the Insolvency Act 1986 and paragraph 14 shall apply to it.

The Mortgaged Property and all the other property, assets and rights of the Mortgagor charged by or pursuant to any provision of this Legal Mortgage are hereinafter referred to as the "Secured Property" which expression shall where the context admits or requires include either the whole or any part thereof.

(B)

The Mortgagor undertakes that it shall take no action in respect of such rents, fees, moneys, contracts, agreements and bonds as are referred to in paragraphs (iii),(iv) and (vi), or such proceeds as are referred to in paragraph (v), of sub-clause (A) of this Clause save with the prior consent in writing of the Bank other than to get in and realise such rents, fees, moneys and proceeds (but this shall not permit the selling, assigning, foreclosing or discounting or the like of any of the same) and that it shall comply with the written directions of the Bank in relation thereto and that (without prejudice to the generality of Clause 19(A) hereof) it will immediately at the written request of the Bank from time to time but at its own cost execute an assignment of the rents, fees, moneys, contracts, agreements, bonds and proceeds charged by such paragraphs (any such assignment to be in such form as the Bank may require) and that it will at its own cost immediately give any such notice of any such assignment as the Bank may from time to time require.

- (C) The Mortgagor undertakes that it will promptly at the written direction of the Bank from time to time accept any lease of the Mortgaged Property and exercise any option held by the Mortgagor in relation to the Mortgaged Property at such time or times and in such manner as the Bank may require and further covenants that upon the grant of any lease of the Mortgaged Property it will (unless the Bank otherwise determines) forthwith execute and deliver to the Bank a legal mortgage of the same in favour of the Bank and upon the Mortgagor entering into any agreement for lease of the Mortgaged Property it will (unless the Bank otherwise determines) forthwith specifically charge the same in favour of the Bank, any said legal mortgage and charge to be in such form as the Bank shall require.
- (D) The Mortgagor undertakes promptly to give to the Bank such information with regard to the Rents referred to in paragraph (iv) of sub-clause (A) of this Clause as the Bank shall from time to time require and if so required by the Bank to instruct all or any tenants and licensees of the Mortgaged Property to pay the Rents direct to such account (either with the Bank in the name of the Mortgagor, or otherwise) as the Bank may from time to time specify (hereinafter called the "Rent Account"). Without prejudice to any other remedy of the Bank, in case of default by the Mortgagor in payment of interest and without prejudice to the generality of Clause 13 hereof the Bank shall be entitled without demand or notice to the Mortgagor to appropriate all or any sums from time to time standing to the credit of the Rent Account (including, without limitation, any sum representing interest thereon) in full or partial satisfaction of the interest from time to time due and owing from the Mortgagor to the Bank on any account whatsoever but not so as to limit the rights of the Bank in respect of the Rent Account and the Bank may without further demand or notice to the Mortgagor appropriate the whole or any part of the sums from time to time standing to the credit of the Rent Account in or towards satisfaction of the indebtednesses, liabilities and obligations described in Clause 2 hereof (and if less than the whole then in such order as the Bank shall select). Except as permitted from time to time by the Bank in writing, the Mortgagor shall not (and shall not be entitled to) withdraw or transfer all or any part of the balance standing to the credit of the Rent Account or direct any payment from such account.
- (E) In the event that the Mortgaged Property shall be any interest of whatsoever description which is less than an absolute legal freehold or leasehold interest the Mortgagor agrees that upon such interest becoming an absolute legal freehold or leasehold interest then the security hereby created shall extend to such interest and such interest shall automatically

and without the need for any further assurance be charged to the Bank by way of legal mortgage as a continuing security for the payment or discharge of all the indebtednesses, liabilities and obligations described in Clause 2 hereof and undertakes (without prejudice to the generality of Clause 19(A) hereof) immediately to notify the Bank in writing upon such interest becoming a legal freehold or leasehold interest and if so required by the Bank to immediately, at its own cost, execute and deliver to the Bank a separate legal mortgage of the same in such form as the Bank may require.

- (F) The Bank may at any time and from time to time by notice in writing to the Mortgagor convert any floating charge hereby created into a fixed charge with reference to any assets specified in such notice and the Mortgagor will immediately, at its own cost, execute over such assets a fixed charge in favour of the Bank in such form as the Bank may require. In addition, each floating charge hereby created shall automatically without notice convert into a fixed charge in respect of any asset (i) which shall without the prior consent of the Bank become subject to a fixed charge in favour of any person other than the Bank instantly upon such fixed charge coming into effect or (ii) in respect of which any person shall levy or attempt to levy any distress, execution, sequestration or other process instantly upon such event occurring, and shall automatically without notice convert into a fixed charge in respect of all the assets hereby charged, instantly upon any such event occurring, if and when the Mortgagor shall cease to carry on business or be a going concern or if and when any meeting of the members of the Mortgagor to consider a resolution to wind-up (or not to wind-up) the Mortgagor shall be convened, if and when any petition for the making of an administration order in relation to or to wind-up the Mortgagor shall be presented or if and when some other formal step is taken with a view to placing the Mortgagor into administration (including without limitation service of a notice of intention to appoint an administrator). Insofar as any floating security hereby constituted shall have crystallised, such security as crystallised shall cease to attach as a fixed security to the assets then subject to it (or such of them as shall be specified in such notice) and shall again subsist as a floating security in relation thereto upon the Bank giving notice in writing to the Mortgagor to such effect.

4. Application for Registration of Restriction

If the Mortgaged Property has registered title, the Mortgagor hereby applies for the registration against the registered title of the Mortgaged Property of the following restriction:-

"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 [*date of this charge*] in favour of Svenska Handelsbanken AB (publ)."

5. Application in respect of Further Advances

If the Mortgaged Property has registered title and the Bank is obliged to make further advances to the Mortgagor, the Mortgagor hereby applies for the registration against the registered title of the Mortgaged Property of a note that the Bank is under an obligation to make further advances to the Mortgagor

6. Covenants

The Mortgagor hereby covenants with and undertakes to the Bank as follows:-

- (i) Disposals - not without the prior consent in writing of the Bank (and then only to the extent that such consent permits and in accordance with any conditions thereof) to convey, assign, transfer, charge or otherwise dispose of or agree to convey, assign, transfer, charge or otherwise dispose of the Secured Property subject to a fixed charge hereunder or pursuant hereto or any interest therein or the equity of redemption thereof or to exercise or agree to 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 otherwise to grant, extend or accept or agree to grant, extend or accept or permit the grant or extension of any lease, tenancy or licence for occupation or other right or interest to occupy or any surrender of any lease, tenancy or licence for occupation of or other right or interest to occupy the Mortgaged Property or otherwise exercise any power of leasing or creating any interest in the Secured Property and not to convey, assign, transfer, charge or otherwise dispose of or alter or vary or agree to convey, assign, transfer, charge or otherwise dispose of or to alter or vary any lease, tenancy or licence for occupation or other right or interest to occupy affecting the Mortgaged Property or grant or agree to grant any sub-lease or sub-tenancy or sub-licence for occupation of the Mortgaged Property;
- (ii) Registration as Proprietor - not during the continuance of this security to suffer any person (other than the Mortgagor) without the prior consent in writing of the Bank to be registered as proprietor under the Land Registration Act 2002 of the Mortgaged Property which is not already registered and the costs incurred by the Bank of entering into any restriction or registering a notice against such registration shall be deemed to be costs properly incurred by it as mortgagee which costs shall (without prejudice to any other remedy for recovery) be deemed as from the date of payment to be an addition to the indebtednesses, liabilities and obligations secured hereby;
- (iii) Negotiations for Acquisition - not without the prior consent in writing of the Bank to enter into any negotiations with any authority with regard to or to consent to the acquisition of the Mortgaged Property and if so requested by the Bank to permit the Bank or its employees or agents to conduct such negotiations or to give any such consent on the Mortgagor's behalf;
- (iv) Preservation of Value - not to do or permit or suffer to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value of the Secured Property or any other security held by the Bank in respect of the indebtednesses, liabilities and obligations described in Clause 2 hereof;
- (v) Observance of Leases - to pay the rents and licence and other fees reserved by and observe and perform the covenants, stipulations and conditions contained in the leases, tenancies, licences for occupation of and other rights or interests to occupy the properties forming part of the Mortgaged Property (if any) and on the part of the tenant, licensee or other occupier to be paid, observed and performed and to use its best endeavours to procure the observance and performance by the landlord, licensor or grantor under the said leases of the covenants, stipulations and conditions on the part of the landlord, licensor or grantor to be observed and performed;

- (vi) Payment of Rent - punctually to pay all rents, rates, taxes, duties, charges, licence and other fees, assessments, impositions and outgoings assessed, charged or payable in respect of the Secured Property or payable by the owner or occupier thereof and to keep the Bank indemnified against the same;
- (vii) Performance of Leases - to use its best endeavours to procure the payment of Rents, service charges, insurance rents and other fees reserved by and the observance and performance of the covenants, stipulations and conditions contained in all leases, tenancies, licences for occupation and other rights or interests to occupy of the Mortgaged Property derived out of the Mortgagor's interest therein and on the part of the tenants or licensees thereunder to be paid, observed and performed and to observe and perform the covenants, stipulations and conditions on the part of the Mortgagor to be observed and performed thereunder;
- (viii) State of Repair - to keep the Mortgaged Property in a good and substantial state of repair and in good working order and condition and when necessary to rebuild or renew the same;
- (ix) Preservation of Structure - not without the prior written consent of the Bank (and then only to the extent that such consent permits and in accordance with any conditions thereof and in accordance with plans, elevations and specifications previously submitted to and (at the cost of the Mortgagor) approved in writing by the Bank) to alter or add to, or permit any alteration or addition to be made to, or pull down or remove, or permit any pulling down or removal of, the Mortgaged Property or to construct or to permit, order or finance the construction of any new building or the carrying out of any civil engineering work of any kind in or on the Mortgaged Property;
- (x) Severance of Fixtures - not without the prior written consent of the Bank (and then only to the extent that such consent permits and in accordance with any conditions thereof) save for the purposes of renewal by others of the same kind and quality, to sever or permit the severance of fixtures from the Mortgaged Property;
- (xi) Entry to view Condition - to permit the Bank and such person or persons as the Bank shall from time to time in writing for that purpose appoint (at the expense of the Mortgagor), at all times during business hours and on not less than 24 hours' written notice to the Mortgagor to enter into and upon the Mortgaged Property to view the state and condition thereof and forthwith after the service by the Bank of notice of any defect or want of repair well and substantially to repair and make good the same;
- (xii) Entry to repair - (if there shall be any default under or any breach of any of the undertakings, covenants and agreements relating to the Mortgaged Property contained in this Legal Mortgage) to permit the Bank to enter upon the Mortgaged Property with or without surveyors, workmen and others (without thereby being deemed a mortgagee in possession) and to carry out and perform all works, matters or things necessary to be done (including but without prejudice to the generality of the foregoing repairs and the completion of any building work or any part thereof as may be unfinished and the carrying out and completion of any other building work in such manner as the Bank may think fit) to the Mortgaged Property or in connection therewith and the Bank shall be entitled (but not bound) to pay (without thereby being deemed a mortgagee in possession) all Rents, licence fees, rates and any other outgoings which are at any time due and unpaid and/or effect such

insurance upon the Mortgaged Property, in such name or names as the Bank may in its absolute discretion determine, and/or any sums necessary to effect such inspections, surveys, works, matters or things aforesaid and any sum of money expended or to be expended by the Bank by virtue of the powers contained in this paragraph shall (without prejudice to any other remedy for recovery) be deemed as from the date of payment to be an addition to the indebtednesses, liabilities and obligations secured hereby;

- (xiii) Forfeiture or Enforcement - (in the case of leasehold property comprising the Mortgaged Property) upon the Mortgagor receiving any notice under Section 146 of the Law of Property Act, 1925 or upon any proceedings being commenced for the forfeiture of the lease under which such property is held or upon any attempt (whether or not successful) being made or threatened to levy distress on the Mortgaged Property or upon any enforcement proceedings or other action being taken or threatened against the Mortgagor, immediately to notify the Bank thereof in writing and supply the Bank with a copy of such information relating thereto as the Mortgagor may have in its custody or control and, if requested to do so by the Bank, apply for relief (or defend any application for relief) against such forfeiture, distress, enforcement proceeding or other action and do such other acts or things and execute such deeds or other documents in relation thereto as the Bank may in its absolute discretion require;
- (xiv) Details of Leases - if so required by the Bank to furnish and supply to the Bank during the subsistence of this security such details in writing as the Bank shall require of all leases, tenancies and licences for occupation and other rights and interests to occupy then affecting the Mortgaged Property including in particular (but without prejudice to the generality of the foregoing) the respective dates on which all such leases, tenancies and licences for occupation and other rights and interests to occupy can be terminated by the landlord and the length of the notices so required respectively;
- (xv) Agreements in respect of Rents - where any lease, tenancy or licence for occupation or other right or interest to occupy in respect of the Mortgaged Property contains any provision for Rents to be dependent upon agreement between the parties thereto, not to agree the Rents without the prior consent in writing of the Bank (and then only to the extent that such consent permits and in accordance with any conditions thereof), and where any such lease, tenancy or licence for occupation or other right or interest to occupy contains any provisions for Rents to be dependent upon arbitration or determination by an expert (whether in default of agreement or not) not to appoint or agree to the appointment of any arbitrator or expert without the prior consent in writing of the Bank (and then only to the extent that such consent permits and in accordance with any conditions thereof);
- (xvi) Variation of Leases - not to waive, release, alter or vary or agree to waive, release, alter or vary the terms of any lease of the Mortgaged Property whether such lease be a lease under which the Mortgagor holds the Mortgaged Property or be a lease superior thereto or derived out of the interest therein of the Mortgagor;
- (xvii) Delivery of Counterparts - in the event of consent being given by the Bank for the grant of any lease, tenancy or licence for occupation or other right or interest to occupy of the Mortgaged Property, to deliver to the Bank for retention during the subsistence of this security or procure the delivery to the Bank for retention during the subsistence of this security of a duly completed counterpart of such lease, tenancy agreement or, as the case may be, licence or other right or interest to occupy, duly stamped if appropriate;



- (xviii) Environmental Investigation - from time to time and, in any event, within 7 days of service by the Bank on the Mortgagor of written notice requiring the same to commission an environmental investigation of the Mortgaged Property addressed to the Bank on terms approved in advance by the Bank by consultants approved in advance by the Bank and (unless the Bank shall otherwise consent in writing (and then only to the extent that such consent permits and in accordance with any conditions thereof)) to implement forthwith all recommendations made by the consultants as to operational procedures and remedial works and further investigations on the Mortgaged Property and to pay the professional fees of the consultants;
- (xix) Entry to carry out Environmental Investigations - to permit the Bank and such consultants as the Bank shall from time to time in writing for that purpose appoint at all reasonable times during business hours and on not less than 24 hours' written notice to the Mortgagor to enter into and upon the Mortgaged Property with or without vehicles and appropriate equipment and machinery for the purpose of carrying out environmental investigations and forthwith after the service by the Bank of notice to implement the recommendations made by the consultants as to operational procedures and remedial works and further investigations on the Mortgaged Property made by the consultants and to pay the professional fees of the consultants;
- (xx) Environmental Hazards - within 3 days of its occurrence to give full particulars to the Bank of any spill or deposit on the Mortgaged Property of any noxious substance in a quantity which would or may cause damage to or pollution of the environment or damage to property or harm to human health;
- (xxi) Notification of environmental matters - within 7 days of receipt or notification to give full particulars (and, if requested, a copy of any written particulars received by the Mortgagor) to the Bank of any notice, order, direction, designation, resolution or proposal having application to all or any part of the Secured Property or to the area in which it is situate or any aspect of the business of the Mortgagor given or made by any planning authority or other public body or competent body or court of competent jurisdiction whatsoever under or by virtue of any applicable planning legislation, or any applicable European Community, national or local law or regulation arising through statute, subordinate legislation or common law or any relevant code of practice, guidance note, standard or other advisory material issued by any competent authority relating to any environmental matters, or any other statutory powers whatsoever;
- (xxii) Observance of Covenants - punctually to observe and perform all restrictive and other covenants, conditions and stipulations for the time being affecting the Mortgaged Property or the mode of user or the enjoyment of the same and not without the prior consent in writing of the Bank (and then only to the extent that such consent permits and in accordance with any conditions thereof) to do or suffer to be done on the Mortgaged Property anything which shall or might constitute or shall or might be deemed to constitute development within the meaning of the Town and Country Planning Acts for the time being in force and any orders and regulations made thereunder and not to do or suffer or permit to be done any act, matter or thing whereby any provisions of or regulations under the said Acts shall be infringed or whereby any statutory provision or order of any local or other authority whatsoever affecting any such property would or might be contravened and not without the prior consent in writing of the Bank (and then only to the extent that such consent permits and in accordance with any conditions thereof) to make or suffer to be

made any application for the grant of planning permission within the meaning of such Acts and not without the prior consent in writing of the Bank (and then only to the extent that such consent permits and in accordance with any conditions thereof) to use or suffer to be used the Mortgaged Property for any purpose other than its existing use (which use the Mortgagor hereby represents and warrants to the Bank is a permitted use for the purposes of the Town and Country Planning Acts currently in force) (and in particular but without prejudice to the generality of the foregoing if the purpose for which the Mortgaged Property shall be used is either a relevant residential purpose or a relevant charitable purpose (as those terms are defined in Group 5 of Schedule 8 to the Value Added Tax Act 1994) not without the prior consent in writing of the Bank (and then only to the extent that such consent permits and in accordance with any conditions thereof) to change the purpose for which the Mortgaged Property is used for the relevant residential purpose, or, as the case may be, relevant charitable purpose);

- (xxiii) Local Authority Notices, etc - forthwith upon, and in any event within seven days of, receipt to give full particulars to the Bank of any notice or order or proposal for the same given, issued or made in relation to the Mortgaged Property or its user by any local or other authority whether under the Town and Country Planning Acts or any legislation having amongst its objectives the protection of the environment or otherwise and if so required by the Bank produce such notice or order or proposal to the Bank and also without delay to take all necessary steps to comply with any such notice or order and also at the request of the Bank but at the cost of the Mortgagor to make or join with the Bank in making such objections or representations against or in respect of any proposal for such a notice or order as the Bank shall deem expedient and any compensation received by the Mortgagor as a result of any such notice or order shall be applied in reduction of the indebtednesses, liabilities and obligations described in Clause 2 hereof, or deposited with the Bank upon such terms as to set-off, assignment, charge or otherwise as the Bank shall in its absolute discretion require (or any such combination of such applications as the Bank shall in its absolute discretion determine);
- (xxiv) Observance of Restrictions - punctually to perform and observe all obligations and restrictions expressly or impliedly imposed on the Mortgagor in relation to the Mortgaged Property howsoever imposed;
- (xxv) Observance of Laws, etc - forthwith to comply with and to procure compliance with the requirements of every Act of Parliament and other legislation (including without limitation every such Act and legislation having amongst its objectives the protection of the environment) and every notice, order, direction, licence, consent or permission given or made thereunder so far as the same shall relate to or affect the Mortgaged Property and in particular but without prejudice to the generality of the foregoing to procure that all works which shall be required to be executed thereby upon the Mortgaged Property shall be duly executed, to supply or procure the supply to the Bank within seven days of receipt of a copy of every such notice, order, direction, licence, consent or permission, at the request of the Bank but at the cost of the Mortgagor to make or join with the Bank in making such objection, representation or appeal as the Bank may deem fit in respect of any such notice, order or direction or any refusal of or condition imposed under any such licence, consent or permission and duly and punctually to pay any development charge or levy if any becomes lawfully payable in respect of any development of the Mortgaged Property or the carrying out or maintenance of any operations or the institution or continuance of any use therein

and (so far as may be possible without contravention of applicable legislation) to prevent the Mortgaged Property from becoming charged with the payment of any development charge or levy in priority to the security hereby created and to obtain and maintain in full force and effect each and every such licence, consent and permission as may be requisite or appropriate to be held by the Mortgagor under legislation for the time being having amongst its objectives the protection of the environment and any orders or regulations made thereunder;

- (xxvi) Obtain all Licences - before commencing any works on the Mortgaged Property at the expense of the Mortgagor to obtain all such licences, consents and permissions as may be required from all competent authorities and in particular but without prejudice to the generality of the foregoing to obtain all licences, consents and permissions as may be required under the Town and Country Planning Acts for the time being in force and any orders and regulations made thereunder;
- (xxvii) Service of Notices - forthwith to inform the Bank if circumstances arise whereby the Mortgagor becomes, will become or is likely to become entitled to serve a notice under Section 17 of The Landlord and Tenant (Covenants) Act 1995 and to provide detailed information to the Bank concerning such circumstances; if so required by the Bank and at the cost of the Mortgagor duly and timeously to serve such a notice in form and manner approved by the Bank; and not without the previous consent in writing of the Bank (and then only to the extent that such consent permits and in accordance with any conditions thereof) to serve any notice under such Section;
- (xxviii) Improvement Grants - not without the prior consent in writing of the Bank to obtain or suffer to be obtained any improvement grant in respect of the Mortgaged Property;
- (xxix) Information - to give to the Bank, any receiver or administrator appointed by the Bank or to such person as the Bank or any such receiver or administrator shall from time to time in writing appoint for that purpose such information as the Bank or receiver or administrator or such person shall require as to all matters relating to the Secured Property or to the business and affairs of the Mortgagor and to permit such inspection of the books of account or other documents of the Mortgagor as the Bank or receiver or administrator or such person shall require;
- (xxx) Place of Business - if the Mortgagor is a body corporate incorporated outside England and Wales, not to establish a place of business in England and Wales unless it has first registered itself as an overseas company pursuant to Part XXIII of the Companies Act 1985 and to notify the Bank forthwith on its becoming so registered;
- (xxxi) V.A.T. Election - not without the prior consent in writing of the Bank to make any election pursuant to paragraph 2 of Schedule 10 to the Value Added Tax Act, 1994 in relation to the Mortgaged Property and if so required by the Bank forthwith to make such election;
- (xxxii) Indemnity to Bank in Possession - in the event of the Bank entering into possession of the Mortgaged Property, to indemnify and keep indemnified the Bank against all actions, proceedings, damages, costs, claims and demands which may be incurred by or made against the Bank under any of the undertakings, covenants, agreements or obligations contained in or imposed by any conveyance, transfer, lease, licence or agreement for tenancy or building agreement or other deed or document affecting the Mortgaged Property and against all actions, proceedings, damages, costs, claims and demands whatsoever in

consequence of any claim by any tenant or occupier of the Mortgaged Property or any other person arising out of any defect in or want of repair to the Mortgaged Property or out of any failure to perform any such undertaking, covenant, agreement or obligation or out of any harm to persons or property or nuisance or impairment of the environment resulting from (or allegedly resulting from) any activities on, or the state and condition of, the Mortgaged Property and in the event of the Mortgagor failing upon the request in writing of the Bank to keep it so indemnified as aforesaid the Bank shall be entitled to settle, liquidate or compound or to contest any such claim (as it may, in its absolute discretion, think fit) and expend such moneys and incur such costs as it may deem necessary for that purpose and any such expenditure and costs shall become part of the liabilities of the Mortgagor hereby secured; and

(xxxiii) Indemnities - to indemnify and keep indemnified the Bank from and against all actions, proceedings, damages, costs, claims, charges, expenses and demands occasioned by any breach of any of the undertakings, covenants or agreements on the part of the Mortgagor herein contained and against all sums that at any time are paid or debited by the Bank for any purpose referred to in this Legal Mortgage and all other costs, charges and expenses incurred under or in relation to this Legal Mortgage by the Bank (including without prejudice to the generality of the foregoing all costs and disbursements incurred in the enforcement or protection of the security hereby created or otherwise and recoverable if taxed as between solicitor and own client) which sums, costs, charges and expenses shall (without prejudice to any other remedy for recovery) be deemed as from the date of payment or debit to be an addition to the indebtednesses, liabilities and obligations secured hereby.

7. Insurance

(A) The Mortgagor undertakes adequately and properly to insure and to keep insured on the terms of this Clause and at the Mortgagor's expense all such parts of the Mortgaged Property as are of an insurable nature and to pay all premiums or other sums necessary to effect and maintain such insurance on the first day on which the same ought to be paid, such insurance to be effected:-

- (i) with such insurance company or underwriters as the Bank may approve in writing from time to time (except to the extent that any lease or underlease under which the Mortgaged Property is held or to which it is subject may otherwise provide);
- (ii) in the name of the Mortgagor (with the Bank noted as sole loss payee) or, if so required by the Bank, in the joint names of the Mortgagor and the Bank and/or such other persons as may be required or approved in writing by the Bank (the Bank being noted as sole loss payee) unless any such policy (being a block policy effected by the landlord of the Mortgaged Property) contains a general interest clause satisfactory to the Bank in which case forthwith upon the happening of any insured event the Mortgagor shall notify the landlord and the insurer of the Bank's interests;
- (iii) against loss or damage by fire, explosion, storm, tempest, flood, lightning, earthquake, impact, aircraft and other aerial devices and articles dropped therefrom, riot, civil commotion, terrorism, malicious damage, bursting and overflowing

pipes/tanks, oil leakage, subsidence, landslip and heave (and in the time of war against war risks under any statutory insurance scheme which may be applicable to the Mortgaged Property) and such other risks and contingencies as the Bank may from time to time require;

- (iv) in a sum equal to the full cost of reinstatement thereof from time to time (as approved by the Bank) including proper provisions for cost inflation over any period that might be required for planning and negotiation and the reconstruction period, the cost of demolition and debris removal, architects', surveyors' and all other professional fees, the cost of complying with local authority and other statutory requirements and any value added tax in relation to construction costs which will or may be irrecoverable;
  - (v) (if the Bank shall so direct) to include at least 3 years' loss of rent from the Mortgaged Property as a result of destruction thereof or damage thereto in consequence of any insured risk or in the case of unoccupied Mortgaged Property to include an amount specified by the Bank to be equal to its estimate of 3 years' interest that might be payable on the indebtednesses, liabilities and obligations described in Clause 2 hereof for any period during which such indebtednesses, liabilities and obligations are expected to be outstanding; and
  - (vi) to include mortgagees' and tenants' non-invalidation clauses acceptable to the Bank.
- (B) Where the Mortgaged Property is undergoing development, redevelopment, construction or other building works, the Mortgagor shall effect such further insurances as shall be required and specified by the Bank.
- (C) The Mortgagor shall produce to the Bank the policy or policies of all such insurances and the receipts for premiums or other payments (except to the extent to which any lease or underlease under which the Mortgaged Property is held or to which it is subject renders it impossible so to do, in which event the Mortgagor shall use its best endeavours, if the Bank so requires, to deliver or procure the delivery to the Bank of copies of such policies or receipts) and (if required by the Bank) obtain confirmation from the insurance company or underwriters that the use of the Mortgaged Property and its type of construction have been notified to it or, as the case may be, them and that all mechanical services at the Mortgaged Property are covered by the insurance policy or policies in question and that such insurance cover shall not be altered or cancelled without prior reference to the Bank and if the Mortgagor shall fail to deliver on demand the policy or current premium receipt in respect of the Mortgaged Property the Bank shall be entitled to assume that the Mortgagor has made default in insuring the same within the meaning of this Clause.
- (D) All moneys received by virtue of any such insurance shall be, if received by the Mortgagor, held by it on trust for and paid to the Bank and shall whether or not effected in accordance with this Legal Mortgage and subject only to the rights of third parties under any statute relating to such insurance or under the terms of any lease or underlease be applied in making good the loss or damage in respect of which such moneys were received or at the request of the Bank but without prejudice to Clause 3(A) hereof deposited with it or as it may direct as security for the indebtednesses, liabilities and obligations described in Clause 2 hereof upon such terms as to assignment, set-off, charge or otherwise as it shall in its

absolute discretion require or if the Bank in its absolute discretion so elects and the provisions of any lease or underlease so permit in or towards discharge of the indebtednesses, liabilities and obligations described in Clause 2 hereof or in any such combination of such applications as the Bank may in its absolute discretion determine.

- (E) All insurance policies maintained pursuant to the terms of this Legal Mortgage shall contain a mortgagee protection clause acceptable to the Bank whereby the insurer shall not be entitled to vitiate or void the policy as against a mortgagee in the event of any misrepresentation or act or neglect or failure to make full disclosure on the part of the Mortgagor or any freeholder or tenant or other insured and a waiver of all rights of subrogation until all of the indebtednesses, liabilities and obligations hereby secured have been repaid and discharged in full to the satisfaction of the Bank.

8. Consolidation

Section 93 of the Law of Property Act, 1925 (restricting the Bank's right of consolidation) shall not apply to this Legal Mortgage.

9. Power of Sale

Section 103 of the Law of Property Act, 1925 (regulating the exercise of the Bank's power of sale) shall not apply to this Legal Mortgage and all moneys hereby secured shall be immediately payable on demand at any time or times and failing payment immediately of any moneys so demanded (or if so requested by the Mortgagor) this security shall become immediately enforceable and the power of sale and the other powers conferred upon mortgagees by the Law of Property Act, 1925 and by this Legal Mortgage shall become immediately exercisable without the restrictions contained in that Act with respect to the whole or any part of the Secured Property as to the giving of notice or otherwise. All such moneys shall also become immediately payable without any demand and this security shall also become immediately enforceable and such powers immediately exercisable without such restrictions if, where a company is comprised in the Mortgagor, any steps shall be taken for the presentation of a petition for the making of an administration order in relation to it notwithstanding the terms of any other agreement, express or implied, between the Mortgagor and the Bank or if such moneys shall be due under the terms of any other agreement, express or implied, between the Mortgagor and the Bank.

10. Removal of Furniture, etc

If the Mortgagor is not a company incorporated in the United Kingdom then in the event of the Bank taking possession of the Mortgaged Property the Bank is hereby authorised as agent for the Mortgagor to remove, store, sell or otherwise deal with any furniture or goods which the Mortgagor shall fail or refuse to remove from the Mortgaged Property within seven days of being requested so to do by notice from the Bank and the Bank shall not be liable for any loss or damage occasioned to the Mortgagor. The Mortgagor shall indemnify the Bank against all expenses incurred by the Bank in relation to such furniture or goods and the Bank shall account to the Mortgagor for the proceeds of any such sale after deducting any such expenses.

11. Expenditure on Mortgaged Property

If default shall be made in complying with any of the provisions contained in this Legal Mortgage or if for any reason the Bank shall consider it necessary in its opinion to spend money for protecting or enhancing the Mortgaged Property then it shall be lawful for but not incumbent upon the Bank without incurring any liabilities as mortgagee in possession and either in its own name or as agent of the Mortgagor to enter on the Mortgaged Property and do so or do so without entering on the Mortgaged Property and on demand the Mortgagor shall repay to the Bank any sum of money expended by it pursuant to this Clause with interest thereon (as well after as before judgment) computed and compounded according to the usual practice of the Bank from the time the same was expended until repayment thereof and each such sum and interest thereon until paid shall form part of the indebtednesses, liabilities and obligations hereby secured.

12. New Accounts

If the Bank receives notice of any subsequent mortgage, pledge, charge, lien, encumbrance or other interest affecting the Secured Property, the Bank may open a new account or accounts in the name of the Mortgagor; if the Bank does not open a new account it shall nevertheless be treated as if it had done so at the time when it received notice and as from that time all payments made by or on behalf of the Mortgagor to the Bank shall be credited or be treated as having been credited to the new account or such of the new accounts as the Bank may determine and shall not operate to reduce the amount(s) due from the Mortgagor to the Bank at the time when it received such notice.

13. Combination of Accounts and Set-off

In case the Mortgagor shall at any time during the continuance of this security have more than one account with the Bank, the Bank shall be entitled at any time and without notice to the Mortgagor to combine and consolidate all or any of such accounts and/or set-off any moneys whether on current, deposit or loan account or otherwise and irrespective of the currency of any such moneys against any indebtednesses, liabilities or obligations whatsoever (whether in sterling or in any other currency) hereby secured. The Mortgagor hereby authorises the Bank, without the Bank thereby incurring any liability or responsibility to the Mortgagor, irrespective of the terms on which the relevant purchase may be effected, to utilise any moneys standing to the credit of any such accounts in or towards purchasing for the account of the Mortgagor any amount in any other currency to be applied in and towards satisfying any such indebtedness, liability or obligation aforesaid.

14. No Suretyship

None of the persons included in the expression the "Mortgagor" shall as against the Bank be entitled to any of the rights or remedies, legal or equitable, of a surety as regards the indebtednesses, liabilities or obligations of any of the other persons included in the expression the "Mortgagor".

15. Receivers

- (A) At any time after this security shall have become enforceable or at the request of the Mortgagor the Bank may by writing under the hand of any officer of the Bank appoint any person or persons to be receiver or receivers of the Secured Property and, in the case of an appointment of more than one person, to perform and carry out any act required or authorised under any enactment together or independently of the other or others upon such terms as the Bank may think fit and none of the restrictions imposed by the Law of Property Act, 1925 in relation to the appointment of receivers or to the giving of notice or otherwise shall apply. The Bank may at any time and from time to time in like manner and in accordance with applicable law remove any receiver so appointed and appoint another in his place or appoint an additional person as receiver and may either at the time of appointment or at any time thereafter and from time to time fix the remuneration of any receiver so appointed. Any receiver so appointed shall be the agent of the Mortgagor for all purposes and the Mortgagor shall be solely responsible for his acts or defaults and for his remuneration. Any receiver so appointed shall have the following powers, whether immediately or at any later time (and before as well as after the winding up or liquidation of the Mortgagor) in addition and without limitation to any powers conferred upon a receiver by statute or common law:-
- (i) to grant any lease or tenancy or right or easement of, relating to or affecting the Secured Property for such term or terms of years at any or no rent and with or without any fine or premium and generally on such terms as he shall in his absolute discretion think fit and accept the surrender of any lease or tenancy or right or easement on such terms as he shall in his absolute discretion think fit and give an effectual and valid receipt for any fine or premium payable on any such grant or surrender as aforesaid and to amend or vary on such terms as he shall in his absolute discretion think fit any lease, licence, agreement or other arrangement in any way relating to or affecting the Secured Property;
  - (ii) to sell (whether by public auction or private contract or otherwise) or otherwise convey the Secured Property on such terms as he shall in his absolute discretion think fit (including, without limitation, for deferred consideration or a consideration payable wholly or partly in instalments or consisting in whole or in part of non-cash assets, which shall forthwith upon receipt be and become charged with the payment of all indebtednesses, liabilities and obligations hereby secured as if the same formed part of the Secured Property);
  - (iii) to grant options to purchase, lease, license or dispose of the Secured Property on such terms as he shall in his absolute discretion think fit and whether such option shall be contained in any lease or tenancy the receiver shall grant or otherwise;
  - (iv) to enter upon or otherwise take possession of the Secured Property, to repair, decorate, alter, improve, add to or develop the same, to complete any development or building thereon which may be unfinished and to settle, compound, compromise or submit to arbitration any accounts or claims arising out of the commencement, carrying on, completion or determination of any such development or building;
  - (v) to redeem any mortgage, charge or other encumbrance on, over or affecting the Secured Property or any part thereof on such terms as he may think fit;



- (vi) to repair, renew or improve plant, machinery, implements, utensils, furniture, equipment and other effects whatsoever of the Mortgagor in or on the Mortgaged Property as shall in the receiver's opinion be worn out, lost or unserviceable;
- (vii) to give instructions to contractors, architects, quantity surveyors and all other persons who in respect of any development of the Mortgaged Property shall have entered into contracts for services to be rendered to the Mortgagor requiring them to complete or to supervise the completion of any such development in accordance with their obligations assumed to the Mortgagor;
- (viii) to require the Mortgagor's solicitors upon payment of their proper costs to deliver up all deeds, documents and papers in their possession which the Bank or the receiver may require to enable any development of the Mortgaged Property to be completed;
- (ix) to effect, renew and maintain insurances in relation to the Secured Property or in respect of any other matter or thing in relation to his powers as he shall in his absolute discretion think fit;
- (x) to take possession of, collect and get in the Secured Property and, for these purposes, to take such proceedings as he may, in his absolute discretion, think fit and serve notices under Section 17 of The Landlord and Tenant (Covenants) Act 1995;
- (xi) to settle, compound, compromise or submit to arbitration any claim or claims on or against the Secured Property or claim or dispute arising out of the Secured Property and to determine or pay any compensation or any other sums which any tenant or occupier of the Secured Property may be entitled to receive under any agreement, Act of Parliament or legally binding custom or otherwise and to apply any compensation received in respect of the Secured Property in or towards the discharge of the indebtednesses, liabilities and obligations hereby secured;
- (xii) to manage, carry on or concur in managing or carrying on upon the Mortgaged Property any trade or business whatsoever and for that purpose to enter into and perform such contracts and arrangements and incur such obligations as he shall in his absolute discretion think fit;
- (xiii) to raise or borrow money from any person (including the Bank) and to secure payment of money (whether or not in priority to the moneys hereby secured) for any of the purposes set out in this Clause in such manner as he shall in his absolute discretion think fit;
- (xiv) generally to use the Mortgagor's seal and the name of the Mortgagor in the exercise of all or any of the powers conferred hereby or by statute or common law and to execute in the name of the Mortgagor and on its behalf any deed, receipt or other

document and to do all such other acts and things as he may consider necessary or desirable in his absolute discretion for the protection, improvement or realisation of the Secured Property;

- (xv) to make or exercise an election pursuant to paragraph 2 of Schedule 10 to the Value Added Tax Act 1994 in relation to the Secured Property or exercise any option or right of election available to the Mortgagor or the Bank or the receiver that the supplies made in respect of any lease or tenancy of any part of the Secured Property shall be supplies chargeable or taxable for value added tax purposes at the standard or other applicable rate provided always that neither the Bank nor the receiver shall be liable for any loss suffered by the Mortgagor as a result thereof and to execute and do all documents, acts and things as may be necessary to permit any disposal of the Secured Property to be zero-rated for the purposes of value added tax;
- (xvi) to exercise all such powers as may be expressed to be conferred upon any receiver by the terms of any mortgage, charge or other security at any time held by the Bank in respect of or in connection with all or any part of the indebtednesses, liabilities, obligations, costs, charges, fees, expenses, interest and commissions as are referred to in Clause 2 hereof provided that for this purpose such terms shall be read and construed mutatis mutandis and with any reference therein to "Charged Property" or any similar or analogous reference being read and construed as a reference to "the Mortgaged Property" or "the Secured Property" as the context may require;
- (xvii) to employ for the purposes aforesaid such persons as he shall in his absolute discretion think fit and to apply for and obtain such approvals, permissions, consents and licences to enter into and perform such contracts and arrangements, to purchase such materials and to incur such obligations as he shall in his absolute discretion think fit; and
- (xviii) to do all other things incidental to the exercise of all or any of the powers conferred hereby or by statute or common law.

Notwithstanding the granting of any petition or the passing of any resolution for the winding up or liquidation of the Mortgagor, or any other event, no such receiver shall act as agent of the Bank (unless the Bank shall expressly appoint the receiver in writing as its agent).

In this Legal Mortgage, any reference to a receiver shall be deemed to include a reference to all or any one or more of any person or persons appointed (and any additional person or persons appointed or substituted) as receiver or administrative receiver or other receiver or receiver and manager or manager.

- (B) All moneys expended by the receiver shall be expenses of the receivership and shall on demand be repaid by the Mortgagor with interest thereon computed and compounded according to the usual practice of the Bank (so that interest shall be payable at such rate as well after as before any judgment) and the Secured Property shall in all respects stand as security for such sums and interest.

- (C) The Mortgagor shall indemnify and keep indemnified the Bank and every receiver, attorney, manager, agent and other person appointed by the Bank pursuant to this Legal Mortgage and the Bank, and every such receiver, attorney, manager, agent and other person, shall be entitled to be indemnified out of the Secured Property in respect of all liabilities and expenses incurred directly or indirectly by any of them in the execution or purported execution of any of the powers, authorities or discretions vested in them or him hereunder and against all actions, proceedings, claims, demands, damages, charges, costs, expenses, losses and liabilities in respect of any matter or thing done or omitted in the exercise or purported exercise of the powers contained herein or in any relevant statute, including the enforcement of this security, or occasioned by any breach (whether before or after the enforcement of this security) by the Mortgagor of any of its covenants or other obligations to the Bank under this Legal Mortgage and the Bank and any such receiver, attorney, manager, agent or other person may retain and pay all sums in respect of the same out of any moneys received under the powers hereby conferred save where such liabilities, expenses, actions, proceedings, costs, claims and demands arise as a result of the negligence of or wilful default by the person claiming to be so indemnified.
- (D) All the powers, authorities and discretions conferred on a receiver (whether or not an administrative receiver) appointed hereunder by the provisions of, or pursuant to, this Legal Mortgage, shall (in addition) be conferred on, and may be exercised by, the Bank as mortgagee, at any time after the security hereby created shall have become enforceable (in whole or in part), free from all restrictions excluded by this Legal Mortgage (including, without limitation, those restrictions imposed on mortgagees by the Law of Property Act, 1925).

16. Sale of Fixtures

In the exercise of the powers hereby conferred the Bank or any receiver appointed by the Bank may sever and sell plant and machinery and other fixtures separately from the property to which they may be annexed without the consent of the Mortgagor being obtained thereto.

17. Application of Moneys

All moneys received by any receiver appointed hereunder shall be applied by him in the following order:-

- (i) in payment of the costs, charges and expenses of and incidental to the appointment of the receiver and the exercise of all or any of his powers and of all outgoings paid by him (including, where so required by statute, the payment of preferential debts and all liabilities having priority to this security);
- (ii) in payment to the receiver of such remuneration as may be agreed between him and the Bank at or at any time and from time to time after his appointment or such other remuneration as is determined by the court;
- (iii) in or towards satisfaction of the amount owing on this security in such order as the Bank in its absolute discretion may from time to time determine (which determination shall be conclusive) save that if so required by the Bank the same shall be credited to a suspense account for so long and in such manner as the Bank may from time to time determine and

the receiver may retain the same for such period as the Bank considers expedient without any obligation to apply the same or any part thereof in or towards the discharge of any indebtednesses, liabilities or obligations hereby secured; and the surplus (if any) shall be paid to the Mortgagor or other persons entitled to it.

18. Incorporation of Powers

The powers conferred on mortgagees or receivers by the Law of Property Act, 1925, the Insolvency Act 1986, the Insolvency Rules 1986 (as amended) or by any other statute (or orders, regulations, instruments or other subordinate legislation made thereunder) now or hereafter in force shall apply to the Bank and any receiver appointed hereunder as if such powers were incorporated herein except in so far as they are expressly or impliedly excluded and where there is any ambiguity or conflict between the powers contained in either such Act or such other statute or subordinate legislation and those contained in this security, the terms of this security shall prevail.

19. Covenant for Further Assurance and Power of Attorney

- (A) The Mortgagor will upon notice in writing by the Bank and at the cost of the Mortgagor execute such documents and such further or other mortgages, charges, assignments or assurances in such form and on such terms as the Bank may require in respect of the property, rights, assets and undertaking belonging to the Mortgagor now or at any time hereafter comprising Secured Property, and deliver all conveyances, deeds, certificates and documents and do such acts, matters or things as the Bank may require to perfect or protect the security hereby created or any of it and after the moneys hereby secured shall have become payable for facilitating the realisation of the Secured Property and for exercising all powers, authorities and discretions hereby conferred upon the Bank or any receiver appointed by it.
- (B) The Mortgagor hereby irrevocably and by way of security appoints the Bank and any person nominated in writing under the hand of any officer of the Bank including every receiver appointed hereunder as joint and several attorney of the Mortgagor for the Mortgagor and in its name and on its behalf and as its act and deed and with full power of substitution and delegation (before as well as after the winding up, liquidation, dissolution, receivership, administration, insolvency or bankruptcy of the Mortgagor) to execute, seal and deliver or perfect and do or make any deed, assurance, agreement, instrument, act or thing which the Mortgagor ought to execute and do under the covenants, undertakings and provisions herein contained or which may be required or deemed proper by the Bank, in its absolute discretion, for any of the purposes of this security including (without limitation):-
- (i) instituting, prosecuting, defending or contesting in the name of the Mortgagor and on its behalf any litigation, arbitration or proceedings (by whomsoever and wheresoever commenced) relating to the whole or any part or parts of the Secured Property and/or taking any other step in the name of the Company and on its behalf in relation thereto; and/or

- (ii) in the name of the Mortgagor and on its behalf, applying for relief (or contesting or defending any application for relief) against forfeiture of any lease or underlease under which the Mortgagor holds any of the property or properties comprised in the Secured Property (or to which the Mortgagor's right, title or interest in any of such property or properties is, at any time, subject), registering a notice in relation to such application and/or taking such other steps and doing such other acts or things or executing such deeds or other documents in relation to such application as the Bank may in its absolute discretion think fit.

The Mortgagor hereby ratifies and confirms, and agrees to ratify and confirm, whatsoever its attorneys appointed hereunder (and any of them) shall do, or purport to do, in the exercise, or purported exercise, of all or any of the rights or powers vested in them hereunder.

20. No Liability

Neither the Bank nor any receiver, attorney, manager, agent or other person appointed hereunder shall be liable to account as mortgagee in possession in respect of the Secured Property or be liable for any loss upon realisation or for any neglect or default of any nature whatsoever in connection with the Secured Property for which a mortgagee in possession might as such be liable or be under any duty of care or other obligations of whatsoever description to the Mortgagor in relation to or in connection with the exercise of any power, authority or discretion conferred upon the Bank or any receiver, attorney, manager, agent or other person as aforesaid and any liability on the part of the Bank or any such receiver, attorney, manager, agent or other person to the Mortgagor arising as the result of or in consequence of any breach of any duty or obligation that may arise notwithstanding the provisions hereof is hereby excluded (save in the case of negligence or wilful default and save insofar as and to the extent that any such exclusion shall be prohibited or rendered invalid by law).

21. No Action by Mortgagor during Receivership

The Mortgagor undertakes that, save insofar as may be required or requested by the Bank or by any receiver or administrator appointed hereunder, so long and during such time as there may be any appointment of a receiver or administrator subsisting hereunder it will not through or by its directors and/or other agents and/or employees take or seek to take any steps or action in relation to the Secured Property.

22. Notices

Any demand or notice by the Bank hereunder shall be in writing signed by any of its officers and may be served on the Mortgagor by leaving the same, or sending it through the post or by telex or facsimile transmission addressed to the Mortgagor, at the address last known to the Bank as the registered or principal office or, as the case may be, place of abode or business of the Mortgagor, and a demand or notice so served shall be effective notwithstanding that it may later be returned undelivered if left at such address at the time it was so left, or if sent by post, at the time of posting and in proving such service by post it shall be sufficient to prove that the envelope containing the demand or notice was properly addressed, stamped and posted. In proving personal service, an affidavit sworn by the process server shall be sufficient evidence of proper service for all purposes. Any such demand or notice by telex or facsimile transmission shall be deemed to have been duly served at the time when in the ordinary course of transmission it would have been received.

23. Corporate Authority

The Mortgagor warrants and represents to the Bank in any case where a company is comprised in the Mortgagor that (i) it has full power to enter into this Legal Mortgage and to exercise its rights and perform its obligations hereunder, (ii) all corporate and other action and conditions and things required to be taken, fulfilled or done (including the obtaining of any necessary consents, approvals and authorisations) to enable it duly and lawfully to enter into this Legal Mortgage and to perform its obligations hereunder have been duly taken, fulfilled or, as the case may be, done, and all such consents, approvals and authorisations remain in full force and effect, and (iii) neither the entry into nor the performance of the obligations under this Legal Mortgage do or will violate, contravene or constitute a default under, or exceed any borrowing restrictions or other powers or restrictions granted or imposed by, under or pursuant to, any law or regulation to which it is subject or its Memorandum or Articles of Association or other of its constitutional documents or any agreement to which it is a party or which is binding on it or its assets or do or will result in the existence of or oblige it to create any mortgage, charge, pledge, lien or other encumbrance over its undertaking or any of its assets (otherwise than in favour of the Bank).

24. True and Accurate Information

The Mortgagor warrants and represents to the Bank that (i) all information supplied by the Mortgagor or its agents to the Bank or its agents and relating to the Mortgagor or the Secured Property was when supplied, and to the best of the Mortgagor's information, knowledge and belief remains, true and accurate in all material respects and to the best of the Mortgagor's information, knowledge and belief nothing has occurred which renders any such information misleading or inaccurate in any material respect, (ii) all statements of opinion, intention and expectation, and all assumptions, forecasts and judgments, contained in the said information were responsibly and reasonably made and to the best of the Mortgagor's information, knowledge and belief nothing has occurred which renders any such statement, assumption, forecast or judgment misleading in any material respect, (iii) no substances or materials not in accordance with any relevant British Standards, Institution Standards and Codes of Practice, EEC Construction Product Directives and CEN Eurocodes or good building practice or which have been identified as deleterious in a publication of the Building Research Establishment were used in the construction of the Mortgaged Property and (iv) it is unaware of any actual or potential liability on the part of the Mortgagor or any of its predecessors in title in respect of breach of any legislation having amongst its objectives the protection of the environment or of any actual or potential civil or criminal liability on the part of the Mortgagor or any of its predecessors in title for harm to persons or property or nuisance or impairment of the environment resulting from any activities or operations of the Mortgagor or any of its predecessors in title or the state or condition of the Mortgaged Property or of any circumstances which might give rise to any such liability in the future and the Mortgagor holds and maintains in full force and effect each and every licence, consent and permission as may be requisite or appropriate to be held by it under legislation having amongst its objectives the protection of the environment and any orders and regulations thereunder.

25. Changes in Constitution

- (A) This Legal Mortgage shall remain in effect and binding on the Mortgagor notwithstanding any amalgamation or merger that may be effected by the Bank with any other company and notwithstanding any reconstruction by the Bank involving the formation of and transfer of the whole or any part of the Bank's undertaking and assets to a new company and notwithstanding the sale or transfer of the whole or any part of the Bank's undertaking and assets to another company whether the company with which the Bank amalgamates or merges or the company to which the Bank transfers the whole or any part of its undertaking and assets either on a reconstruction or sale or transfer as aforesaid shall or shall not differ from the Bank in its objects, character or constitution and notwithstanding any transfer or assignment of the benefit of the indebtednesses, liabilities or obligations hereby secured, the provisions herein contained and/or any rights conferred upon the Bank thereby to any other person, it being the intent of the Mortgagor that this security and the provisions herein contained shall remain valid and effectual in all respects in favour of, against and with reference to, and that the benefit hereof and all or any rights conferred upon the Bank hereby may be assigned to and enforced by, any such company or other person and proceeded on in the same manner to all intents and purposes as if such company or other person had been named herein instead of or in addition to the Bank and the Bank shall be entitled (without liability to the Mortgagor) to disclose any information regarding the financial affairs of the Mortgagor or otherwise to any transferee or assignee or proposed transferee or assignee or other person entering into or proposing to enter into contractual arrangements with the Bank in relation to this Legal Mortgage and/or the indebtednesses, liabilities or obligations hereby secured.
- (B) If the Mortgagor is a partnership or a firm or a company or the liability secured under this Legal Mortgage is a joint liability with any person, firm or company, this security shall remain in full force and effect notwithstanding any change in the constitution or membership of such partnership, firm, company or person.

26. No waiver

No delay or omission of the Bank in exercising any right, power, privilege or remedy hereunder shall impair such right, power, privilege or remedy or be construed as a waiver of such right, power, privilege or remedy nor shall any single or partial exercise of any right, power, privilege or remedy preclude any further exercise thereof or the exercise of any other right, power, privilege or remedy. The rights and remedies of the Bank herein provided are cumulative and not exclusive of any rights, powers, privileges or remedies provided by law. Any waiver by the Bank of any term of this Legal Mortgage, and any consent or approval given by the Bank under or in relation to it, shall only be effective if given in writing and then only for the purpose for which, and upon the terms and conditions (if any) on which, it is given.

27. Continuing Security

This security shall be a continuing security notwithstanding the winding-up, liquidation, dissolution, receivership, administration, insolvency, bankruptcy, incapacity or death of the Mortgagor or any settlement of account or other matter whatsoever and is in addition to and shall not merge with or otherwise release, prejudice or affect any contractual or other right or remedy or any other security now or hereafter held by or available to the Bank and shall not be in any way released, prejudiced or affected thereby or by the invalidity thereof or by the Bank now or hereafter dealing with, exchanging, releasing, varying or abstaining from perfecting or enforcing any of the same or any rights which it may now or hereafter have or giving time for payment or indulgence or compounding with the Mortgagor or any other person or making or abstaining from making any demand for payment on the Mortgagor or any other person.

28. Void or Voidable Payments and Retention of Security

- (A) No assurance, security, guarantee or payment which may be void, voidable or avoided or invalidated under any law relating to bankruptcy, insolvency, administration or winding-up (including without limitation sections 238, 239, 242, 243, 245 or 423 of the Insolvency Act 1986), and no release, settlement, discharge or arrangement given or made by the Bank as a consequence or on the faith of any such assurance, security, guarantee or payment, shall prejudice or affect the right of the Bank to enforce this security to the full extent of the indebtednesses, liabilities and obligations referred to in Clause 2 hereof.
- (B) The Bank may in its absolute discretion retain the Secured Property for a period of one month plus such statutory period within which any assurance, security, guarantee or payment can be avoided or invalidated after all financial accommodation from time to time made available to the Mortgagor by the Bank shall have ceased to be available or (if longer) all such indebtednesses, liabilities and obligations shall have been paid and discharged in full to the satisfaction of the Bank (including provision for contingent liabilities in such manner and in such amount as may be determined by the Bank), notwithstanding any release, settlement, discharge or arrangement given or made by the Bank on, or as a consequence of, such cessation of financial accommodation or, as the case may be, payment of moneys due.
- (C) If at any time within the period in which any assurance, security, guarantee or payment may be avoided or invalidated a petition shall be presented to a competent court for an order for the bankruptcy, insolvency or winding-up of the Mortgagor, or if an effective resolution is passed for the winding up of the Mortgagor, or a petition for an administration order shall be presented to, or an administration order shall be made by, a competent court in respect of the Mortgagor, the Bank may, notwithstanding as aforementioned, continue to retain the security hereby created or any part thereof for and during such further period as the Bank in its absolute discretion shall determine. The Mortgagor agrees that in such circumstances the security hereby created shall be deemed to have been and to have remained held by the Bank as and by way of security.



- (D) In the event that the Bank shall be required under sections 234, 241, or 425 of the Insolvency Act 1986 to pay any sum to any party (including the Mortgagor), then such sum when paid by the Bank shall be deemed to form part of the indebtednesses, liabilities and obligations hereby secured and any release, settlement, discharge or arrangement given or made by the Bank on the faith or as a consequence of any payment on account of such indebtedness, liability or obligation which payment the Bank shall have been so required to pay to any party shall be treated as having been given or made by the Bank and accepted by the Mortgagor upon the express condition that the same shall be subject and without prejudice to the Bank's right to recover the same under this Legal Mortgage.

29. Mortgagor's Insolvency

As between the Bank and any person comprised in the Mortgagor, no such person shall without the Bank's written consent prove in the winding-up, liquidation, administration, dissolution or bankruptcy of, or exercise any right of action or right to obtain security or claim any security for or in relation to any indebtedness, liability or obligation of, any other such person and any moneys received by or security given to any such first referred to person in contravention of this Clause shall be held upon trust for the Bank absolutely and dealt with as it shall direct in its absolute discretion.

30. Perpetuity Period

The perpetuity period applicable to the trusts declared in this Legal Mortgage shall be a period of eighty years from the date hereof.

31. No Duty to Enquire

No purchaser, receiver, mortgagor or other person or company shall be concerned to inquire whether any power exercised or purported to be exercised by the Bank or any receiver appointed by it or any of the Bank's or such receiver's officers, agents or attorneys has arisen or become exercisable or whether any money is due on the security hereof or whether any demand has been made hereunder or as to the propriety or regularity of any demand, notice, sale or other dealing or action by the Bank or any receiver appointed by it or any of the Bank's or such receiver's officers, agents or attorneys but shall be entitled to rely for all purposes on a certificate of the Bank as to the validity, propriety and regularity thereof.

32. Severability of Provisions

The illegality, invalidity or unenforceability of any provision of this Legal Mortgage under the law of any jurisdiction shall not affect its legality, validity or enforceability under the law of any other jurisdiction or the legality, validity or enforceability of any other provision of this Legal Mortgage.

33. Interpretation

(A) In this Legal Mortgage, unless the context otherwise requires:-

- (i) any reference to a "person" shall include any person, firm, body corporate or unincorporated body of persons;
- (ii) any reference to the masculine gender shall include the feminine gender and the neuter gender and vice versa;

- (iii) any reference to the singular shall include the plural and vice versa;
- (iv) any reference to a statutory or other legislative provision shall be construed as a reference thereto as amended, varied, re-enacted or substituted (whether before or after the date hereof) and shall include any provision of which it is a re-enactment or substitute; and
- (v) any reference to winding up, liquidation, dissolution, receivership, administration, insolvency or bankruptcy or any other insolvency or bankruptcy event shall be deemed to constitute a reference also to any event which, in the opinion of Bank, appears to correspond thereto or appears to be similar thereto in any country or territory in which the Mortgagor is incorporated or carries on business or to the jurisdiction of whose courts the Mortgagor or any part of the assets of the Mortgagor is subject.

(B) Headings shall be ignored when construing this Legal Mortgage.

(C) Each term in any document relating to the indebtednesses, liabilities and obligations hereby secured or the security from time to time constituted by or pursuant to this Legal Mortgage is, to the extent not set out in or otherwise incorporated into this Legal Mortgage, incorporated into this Legal Mortgage insofar as is necessary to comply with Section 2 of the Law of Property (Miscellaneous Provisions) Act 1989 but if there is any conflict between that term and any other term of this Legal Mortgage the Bank may determine which of the two will prevail and any such determination will be fully binding on the Mortgagor.

34. Governing Law: Submission to Jurisdiction: Process Agency

This Legal Mortgage shall be governed by and construed in accordance with English law and the Mortgagor hereby irrevocably agrees for the sole benefit of the Bank that the English courts are to have jurisdiction to settle any suit, action or proceedings which may arise out of or in connection with this Legal Mortgage and accordingly any suit, action or proceedings so arising (in this Clause referred to as "Proceedings") may be brought in such courts and the Mortgagor hereby submits to the jurisdiction of such courts. Without prejudice to the foregoing, the parties hereto further irrevocably agree that any Proceedings may be brought in the courts of such other jurisdiction or jurisdictions as the Bank may from time to time select and the Mortgagor hereby waives absolutely any immunity to which he or his assets may be entitled in any jurisdiction and any objection which he may have now or in the future to the English or any such other courts being nominated for the purpose of this Clause on the ground of venue or otherwise and agrees not to claim that any such court is not a convenient or appropriate forum. The Mortgagor hereby irrevocably appoints such person (if any) as is specified below as his agent for service of process in England.

Agent for service of process:

Name: .....

Address: .....

.....

.....

.....

IN WITNESS WHEREOF the Mortgagor has caused this Legal Mortgage to be executed under seal or otherwise as his deed, and the Mortgagor and the Bank have, with the intention of giving full effect to any provision of this Legal Mortgage which may for any reason not be made fully effective and binding on the Mortgagor by his execution of this Legal Mortgage under seal or otherwise as its deed, caused this Legal Mortgage to be signed on their respective behalves on the day and year first before written.

THE SCHEDULE

Registered Land

Administrative Area: Tyne and Wear – South Tyneside

Title Number: TY340736 and ~~TY340532~~



Property: That part of Site Number EP3816, Market Dock North, South Shields, Tyne and Wear as is shown edged red on the attached plan.

THE SCHEDULE

Unregistered Land

The                    hold property known as

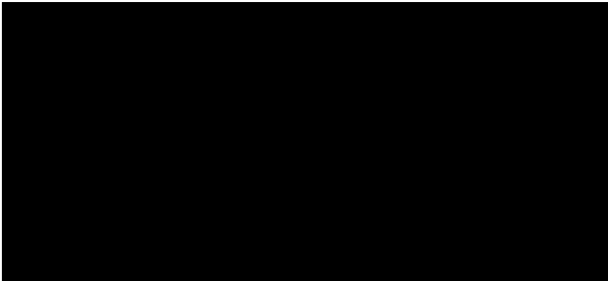
\* and comprised in the following documents

Date	Documents	Parties
------	-----------	---------

\*In the case of a second mortgage insert here "subject to a mortgage dated                    between  
and  
" before the words "and comprised in the following documents".

SIGNED as a Deed by [REDACTED] )  
in the presence of: [REDACTED] )

SIGNED by [REDACTED] )  
and [REDACTED] )  
[REDACTED] )  
duly authorised for and on [REDACTED] )  
behalf of [REDACTED] )



NOTE: RECEIPT NOT TO BE USED FOR REGISTERED CHARGES

[REDACTED] HEREBY RELEASES AND RE-ASSIGNS subject to and without prejudice to Clause 28 unto the Mortgagor this      day of      20 the Secured Property referred to in the within-written Legal Mortgage.

For and on behalf of

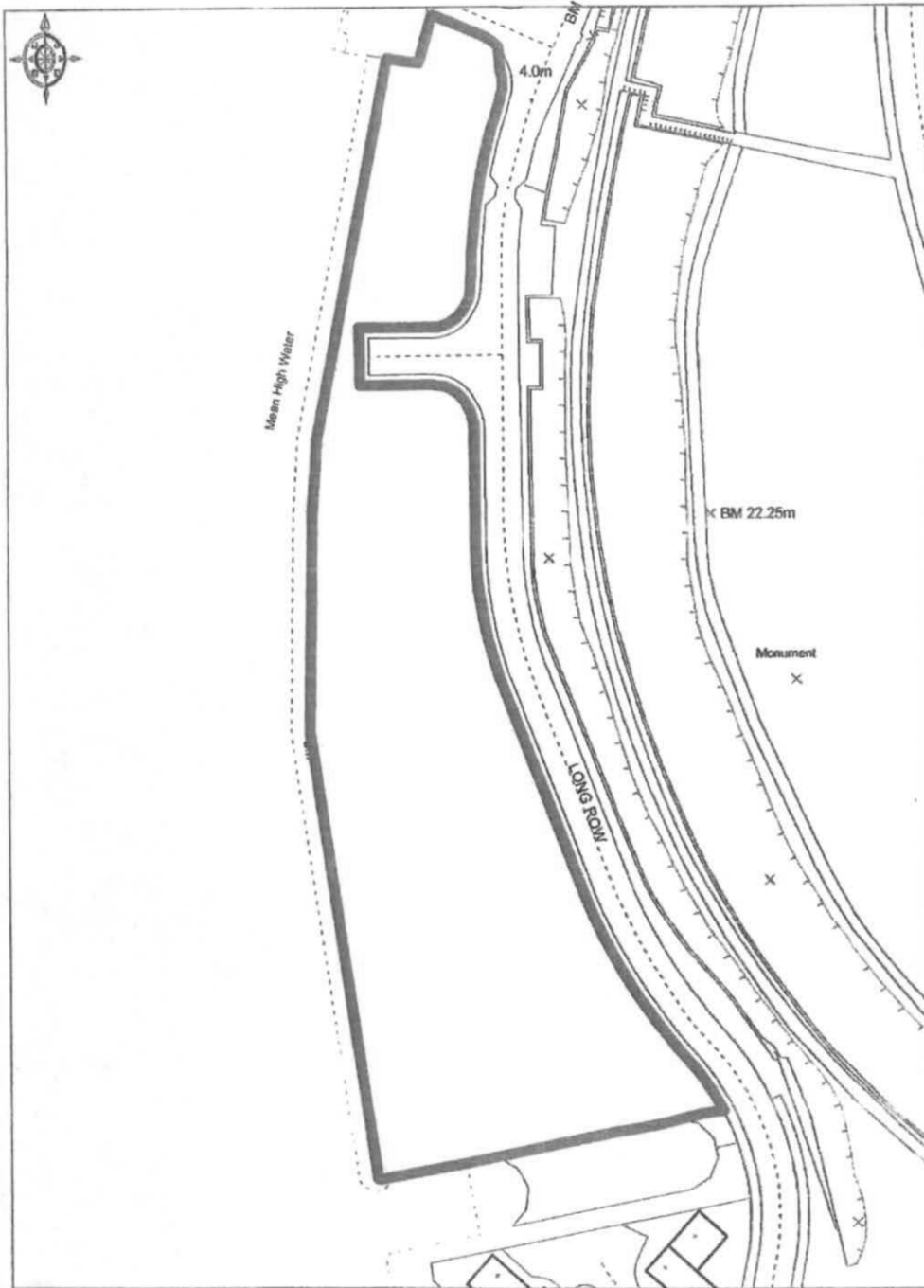
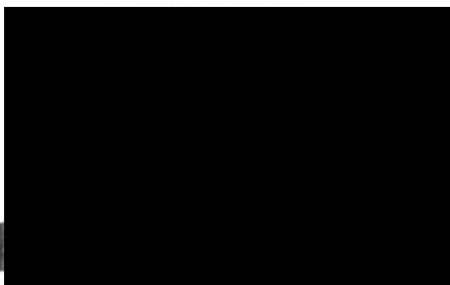
[REDACTED]

.....  
Authorised Signatory

.....  
Authorised Signatory

Market Dock  
South Shields

Knight  
Frank



OS Ordnance Survey

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Market Dock

This plan is published for guidance only, and although it is believed to be correct its accuracy is not guaranteed, nor is it intended to form any part of any contract.