



Registration of a Charge

Company Name: **MILLWOOD ENTERPRISES LIMITED**

Company Number: **07681031**



Received for filing in Electronic Format on the: **26/03/2024**

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Details of Charge

Date of creation: **22/03/2024**

Charge code: **0768 1031 0003**

Persons entitled: **STUART JOHN KNIGHT
NICOLA JANE KNIGHT
KAY GEORGINA BELL**

Brief description: **THE MALLYAN SPOUT HOTEL, GOATHLAND, WHITBY, NORTH
YORKSHIRE, YO22 5AN**

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **ANDREW ROBINS**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7681031

Charge code: 0768 1031 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 22nd March 2024 and created by MILLWOOD ENTERPRISES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 26th March 2024 .

Given at Companies House, Cardiff on 29th March 2024

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**

H M LAND REGISTRY
LAND REGISTRATION ACT 2002

Administrative area:North Yorkshire - Ryedale
Title number:NYK76652
Property: The Mallyan Spout Hotel, Goathland, Whitby YO22 5AN

THIS LEGAL CHARGE is made the 22nd day of March 2024

BETWEEN:

- (1) Millwood Enterprises Limited the registered office of which is at Tamarisk House, North Leigh Business Park, North Leigh, Oxfordshire OX29 6SW (Company Registration No: 07681031) (“the Borrower”)
- (2) Stuart John Knight and Nicola Jane Knight of The Manor House, The Common, Goathland, Whitby YO22 5AN and Kay Georgina Bell of The Mallyan Spout Hotel, Goathland, Whitby YO22 5AN (“the Lender”); and
- (3) Millwood Hotels Limited the registered office of which is at Tamarisk House, North Leigh Business Park, North Leigh, Oxfordshire OX29 6SW (Company Registration No 15004260) (“the Licensee”)

NOW THIS DEED WITNESSES as follows:

1. DEFINITIONS AND INTERPRETATION

For all purposes of this Legal Charge the following rules of interpretation apply and the terms defined in this clause 1 have the meanings specified.

1.1 Gender, personality and number

Unless the context otherwise requires:

- 1.1.1 the singular includes the plural and vice versa;
- 1.1.2 references to persons includes references to firms, companies, corporations or limited liability partnerships and vice versa; and
- 1.1.3 references in the masculine gender include references in the feminine or neuter genders and vice versa.

1.2 ‘The Headings’

The clause and schedule headings do not form part of this document and are not to be taken into account in its construction or interpretation.

1.3 ‘The Interest Rate’

‘The Interest Rate’ means 4% above the rate of Lloyds Bank Plc from time to time or, should this rate cease to exist, at another rate of interest closely comparable with the Interest Rate to be agreed between the parties or in default of agreement to be decided on by the Lender acting reasonably.

1.4 Interpretation of ‘the Borrower’ and ‘the Lender’

Unless the context otherwise requires the expressions ‘the Borrower’ and ‘the Lender’ include their respective successors 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.

1.5 Joint and several liability

Where any party to this deed for the time being comprises two or more persons, obligations expressed or implied to be made by or with that party are deemed to be made by or with the persons comprising that party jointly and severally.

1.6 ‘The Licence’

The Licence Agreement of even date herewith and made between (1) the Borrower and (2) the Licensee pursuant to which the Licensee shall occupy and operate the Property as a hotel from the date of this document.

1.7 Obligations not to permit or suffer

Any covenant by the Borrower not to do anything includes an obligation to use reasonable endeavours not to permit or suffer that thing to be done by another person where the Borrower is aware that the thing is being done.

1.8 ‘The Planning Acts’

‘The Planning Acts’ means the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning and Compensation Act 1991, the Planning and Compulsory Purchase Act 2004 and all statutes, regulations and orders included by virtue of clause 1.13.

1.9 ‘The Principal’

‘The Principal’ means the sum of £900,000.00 (subject to adjustment as set out below) being the outstanding balance of the purchase price of the Property payable by the Borrower to the Lender pursuant to the Sale Agreement on the Redemption Date subject

to deduction therefrom of the sum equal to the aggregate as at the Redemption Date of any “Due Amount” or Estimated Liability (as defined) in the Sale Agreement) but not further or otherwise.

1.10 ‘The Property’

‘The Property’ means the freehold property specified in the Schedule and all buildings, erections, structures, fixtures, fittings and appurtenances on the Property from time to time.

1.11 ‘The Redemption Date’

‘The Redemption Date’ means the date which is twelve months from the date of this document.

1.12 References to clauses

Any reference in this document to a clause without further designation is to be construed as a reference to the clause of this document so numbered.

1.13 Reference to statutes

Unless expressly stated to the contrary, any reference to a specific statute includes any statutory extension or modification, amendment or re-enactment of that statute and any regulations or orders made under it, and any general reference to a statute includes any regulations or orders made under that statute provided that, in each case, as between the parties, no such statutory extension or modification, amendment or re-enactment made after the date of this agreement shall apply for the purposes of this document to the extent that it would impose any new or extended obligation, liability or restriction on, or otherwise adversely affect the rights of, any party.

1.14 ‘The Sale Agreement’

The agreement for the sale and purchase of the Property of even date herewith made between (1) the Lender and (2) the Borrower

1.15 ‘VAT’

‘VAT’ means value added tax or any other tax of a similar nature and unless otherwise expressly stated all references to sums payable by the Borrower are exclusive of VAT.

2. RECITALS

2.1 Title

The Borrower has completed the purchase of the Property on even date herewith and shall use all reasonable and commercially prudent endeavours to be registered at H M Land Registry as proprietor with title absolute of the property described in the Schedule subject to the Licence but otherwise free from financial incumbrances.

2.2 Agreement to lend

The Lender has agreed with the Borrower pursuant to the Sale Agreement to leave the Principal outstanding on condition that its payment together with interest (if any) is secured in the manner set out in this document.

2.3 Payment of principal, interest and costs

In consideration of the agreement between the Lender and the Borrower to leave the Principal outstanding the Borrower covenants with the Lender as set out in clause 3.

2.4 Vacation of the Property

In consideration of the above agreement between the Lender and the Borrower the Licensee agrees with the Lender to vacate the Property in the circumstances and in accordance with the provisions of this document.

3. COVENANT TO PAY

3.1 Payment of principal

The Borrower covenants with the Lender to pay the Principal to the Lender (free from any legal or equitable right of set-off other than the deduction referred to in Clause 1.9 above) on the Redemption Date or, if earlier, immediately on demand if;

- 3.1.1 the Borrower fails to comply with any term, condition, covenant or provision of or to perform any of his obligations or liabilities under this document; or
- 3.1.2 any judgement or order made against the Borrower in respect of the Property by any court is not complied with within 28 days; or
- 3.1.3 the Property becomes subject to any forfeiture or execution, distress, sequestration or other form of process; or
- 3.1.4 a mortgagee takes possession of or exercises or seeks to exercise any power of sale or of an appointment of a receiver in relation to the property charged by this deed or any other property of the Borrower; or
- 3.1.5 the Borrower makes a proposal for a voluntary arrangement under the Insolvency Act 1986 Part I or enters or seeks to enter into any other form of composition or arrangement with its creditors whether in whole or in part; or
- 3.1.6 the Borrower becomes subject to a notice of an intended appointment of an administrator or an application is made to any court or any meeting of directors or members is called with a view to the Borrower or any surety entering into administration; or
- 3.1.7 an administrative receiver is appointed in respect of the whole or any part of the undertaking of the Borrower or any surety; or

3.1.8 a petition is presented in any court (and not withdrawn within 14 days of presentation) or a meeting is convened for the purpose of considering a resolution for the winding up of the Borrower (except in the case of a reconstruction or amalgamation that has the previous approval in writing of the Lender).

3.1.9 any representation or warranty given by the Borrower to the Lender is or becomes incorrect.

3.2 Interest

3.2.1 Payment of interest

The Borrower covenants with the Lender to pay to the Lender interest on the Principal at the Interest Rate, from the Redemption Date or from any earlier date for payment until the actual date of payment of the Principal in full, such interest to be payable as well after as before any demand or judgement or the administration or liquidation of the Borrower.

3.3 Costs, charges, expenses and other liabilities

3.3.1 Payment of costs, charges, expenses and other liabilities

The Borrower covenants with the Lender to pay to the Lender on demand all reasonable and proper direct costs, charges, expenses and liabilities (including all reasonable and proper legal and other professional costs and fees and disbursements and VAT on them) paid and incurred by the Lender in relation to:

3.3.1.1 the institution of all proceedings and other action in connection with the enforcement, preservation and protection of the security constituted by this document;

3.3.1.2 the institution of all proceedings and other action (whether against the Borrower or otherwise) for the payment or discharge of the money and liabilities secured by or associated with this document;

3.3.1.3 the exercise of any power, right or discretion conferred by this document or by law on the Lender;

3.3.1.4 any default by the Borrower in compliance with the obligations imposed by the terms of this document;

together with interest from the date when the Lender becomes liable for them until payment by the Borrower at the Interest Rate.

4 LEGAL CHARGE FIXED CHARGE AND PERFECTION OF SECURITY

4.1 Legal Charge

As a continuing security the Borrower with full title guarantee, charges the Property to the Lender by way of first legal mortgage with payment or discharge of all monies and other obligations and liabilities in this document covenanted to be paid or discharged or performed by the Borrower or otherwise secured by this document.

4.2 Fixed Charge

As a continuing security the Borrower with full title guarantee, charges to the Lender by way of a first fixed charge all its rights in each insurance policy in respect of the Property including all claims, the proceeds of all claims and all returns of premiums in connection with each insurance policy with payment or discharge of all monies and other obligations and liabilities in this document covenanted to be paid or discharged or performed by the Borrower or otherwise secured by this document.

4.3 Registration of Restriction

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

“ No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated the 22nd day of March 2024 in favour of Stuart John Knight, Nicola Jane Knight and Kay Georgina Bell referred to in the charges register or their conveyancer”

5. BORROWER’S REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lender as set out in this clause 5.

5.1 Contravention of other liabilities

The execution of and the observance and performance of the Borrower’s obligations under this document does not and will not contravene any other charge, mortgage, lease, loan facility or other agreement.

5.2 Capacity

The execution of and the observance of the Borrower’s obligations under this mortgage does not and will not contravene any of the provisions of its constitution.

6. BORROWER'S AND LICENSEE'S COVENANTS AS TO THE PROPERTY

PART ONE

The Borrower covenants and undertakes with the Lender as set out in Part One of this clause 6.

6.1 Repair

6.1.1 Repairing obligation

The Borrower will keep all buildings, fixtures and fittings, services and service media in on or associated with the Property in the working order and condition as they are at the date of this document.

6.1.2 Inspection

The Borrower will permit the Lender and his representatives at all reasonable times and upon reasonable notice to enter upon the Property or any part of it to inspect the same and condition of the buildings, fixtures and fittings, services and service media in, on or associated with the Property without the Lender becoming liable as mortgagee in possession provided that the Lender causes as little inconvenience as reasonably possible to the Borrower and promptly makes good any damage caused to the Property by the Lender exercising this right to the reasonable satisfaction of the Borrower

6.1.3 Entry and Repair

If the Borrower fails to maintain the buildings, fixtures and fittings, services and service media in, on or associated with the Property in the requisite state of repair and condition the Lender shall notify the Borrower in writing of such remedial works that the Lender (acting reasonably) considers to be necessary and only if the Borrower has not completed such remedial works to the Lender's reasonable satisfaction within 30 days the Lender and his representatives may (but without being bound to do so) at any time thereafter enter upon the Property or any part of it and execute all remedial works that the Lender considers to be necessary and proper without the Lender thereby becoming liable as mortgagee in possession.

6.1.4 Repayment of expenses

The Borrower will on demand repay to the Lender all expenses incurred by the Lender in carrying out works permitted by clause 6.1.3 together with interest from the date when the Lender becomes liable for the same until repayment by the Borrower at the Interest Rate (such interest to be payable in the same manner as interest on the Principal) all of which money and interest shall be charged on the Property.

6.2 Alterations

The Borrower will not without the previous written consent of the Lender (such consent not to be unreasonably withheld, delayed or conditioned) make any structural or material alteration to or pull down or remove any or any part of any buildings, fixtures and fittings, services and service media in, on or associated with the Property unless required to do so pursuant to a legal obligation.

6.3 Insurance

6.3.1 Duty to insure

The Borrower will:

6.3.1.1 ensure the Property is kept insured for such amount or amounts (including sums in respect of any professional fees which may be incurred in or about repair, rebuilding or reinstatement) as the Borrower is advised as being the reinstatement value of the Property against loss or damage by fire and other risks, perils and contingencies that would be insured against by a reasonably prudent person carrying on the same class of business as the Borrower and the Licensee with an insurance company or underwriters on the London insurance market;

6.3.1.2 make all payments required for this purpose as and when they become due and will when required by the Lender deliver to the Lender the policy of insurance and evidence of each payment; and

6.3.1.3 if requested by the Lender, procure that a note of the Lender's interest is endorsed on the policy of insurance effected or maintained by the Borrower.

6.3.2 Indemnity for payments by the Lender

If the Borrower fails to perform any of his obligations under this clause 6.3 and if the Lender takes out any insurance on the Property or any part of it, the Borrower will on demand repay to the Lender all payments made by him for that purpose and will pay interest at the Interest Rate from the date of payment until repayment on any money not repaid on demand (such interest to be payable in the same manner as interest on the Principal) and all such money and interest shall be charged on the Property.

6.3.3 Application of insurance money

Any money received under any policy of insurance effected or maintained by the Borrower in respect of the Property (whether or not pursuant to his obligations under this clause 6.3) shall be applied with in making good the loss or damage in respect of which it was received or if any monies have become due to the Lender in or towards discharge of the monies due under this security and, if received by the Borrower, will be held on trust by the Borrower for the Lender for this purpose.

6.4 Outgoings

The Borrower will punctually pay and indemnify the Lender against all rents, rates, taxes, levies, assessments, impositions and outgoings whatsoever (whether governmental, municipal, contractual or otherwise) which may be or may become imposed upon or payable in respect of the Property or any part of it.

6.5 General covenant to comply with statutes etc

The Borrower will ensure that any legislation, regulations or bye-laws for the time being in force applicable to the Property are complied with by itself or by the Licensee in all respects.

6.6 General covenant to produce notices etc

6.6.1 Production

The Borrower will promptly produce to the Lender any order, direction, permission, notice or other matter whatever affecting or likely to affect in a material way the Property and served upon the Borrower or the Licensee by any third party, and will allow the Lender to make a copy of it.

6.6.2 Compliance

The Borrower will comply with any order, direction, permission, notice or other matter referred to in clause 6.6.1 within any valid stipulated period or, if the Lender so requires and at the Borrower's cost (where such order, direction, permission, notice or other matter is served as a consequence of the Borrower's or Licensee's breaches of clause 6.5 above), will make or join with the Lender in making such objections or representations against or in respect of the same as the Lender may request (acting reasonably)

6.7 Specific covenants relating to planning and environmental matters

6.7.1 Alteration of present use of the Property

The Borrower will not use (and shall procure that the Licensee will not use) the Property for any purpose other than the present use except with the previous written consent of the Lender (such consent not to be unreasonably withheld, delayed or conditioned) and the relevant planning authority and then only to the extent permitted by and in accordance with any conditions attached to such consent. The Borrower will deliver any such consent of the relevant planning authority to the Lender but shall be entitled to a copy of it.

6.7.2 No development without the Lender's consent

The Borrower will not (and shall procure that the Licensee will not) without the previous written consent of the Lender (such consent not to be unreasonably withheld, delayed or conditioned) carry out any operation or use the Property for any use which is a development within the provisions of the Planning Acts.

6.7.3 Compliance with conditions of permission for development

If the Borrower at any time obtains permission for any development of the Property within the provisions of the Planning Acts he will comply with all conditions subject to which such permission is granted.

6.7.4 Compliance with environmental matters

The Borrower will (and shall procure that the Licensee also will) observe and perform all environmental and planning laws, regulations, directives and codes of practice affecting the Property.

6.7.5 Compliance with notices etc

6.7.5.1 Production

If any valid enforcement or other notice, claim, order or proposal is made or served by the relevant authority under or by virtue of the Planning Acts or the Environmental Protection Act 1990 in relation to the Property the Borrower will promptly produce the same to the Lender and allow the Lender to take a copy of it.

6.7.5.2 Compliance

The Borrower will at his own expense in all respects comply with the requirements of any notice, claim, order or proposal referred to in clause 6.7.5.1 within any valid stipulated period. Alternatively, if the Lender so requires (acting reasonably), the Borrower will make or join with the Lender (at the Borrower's expense where such notice, claim, order or proposal is served or made as a consequence of the Borrower's or the Licensee's breaches of clause 6.7.4 above) in making such objections or representations as the Lender may request or approve against or in respect of any such notice, order or proposal.

6.7.5.3 Failure to comply

If the Borrower fails to take immediate steps to commence compliance or fails within the relevant time limit to conclude compliance with the requirements of any notice, order or proposal referred to in clause 6.7.5.1, the Lender may (but shall not be obliged to) at any time thereafter enter on the Property and execute any works and do anything on the Property necessary to ensure such compliance without the Lender thereby becoming liable as mortgagee in possession. All costs and expenses so incurred by the Lender will be repaid by the Borrower to the Lender on demand together with interest from the date when the Lender becomes liable for the same until repayment by the

Borrower at the Interest Rate (such interest to be payable in the same manner as interest on the Principal) all of which money and interest shall be charged on the Property.

6.7.5.4 Appointment of Lender as attorney

The Borrower irrevocably appoints the Lender and his substitutes for the time being to be the Borrower's attorney to apply for and procure on the Borrower's behalf any licences, permissions or other things from any competent authority necessary for the execution of the works authorised by this clause 6.7.5 to be executed by the Lender on the default of the Borrower.

6.7.5.5 Costs of licences

All expenses incurred by the Lender in securing the licences, permissions and other things referred to in clause 6.7.5.4 shall be treated as part of the costs of the works and such expenses and interest on them shall be charged upon the Property as provided by clause 6.7.5.3.

6.8 Specific covenant in relation to compulsory purchase

6.8.1 Entry into negotiations

The Borrower will not without the previous consent in writing of the Lender (and then only to the extent permitted by and in accordance with any conditions attached to that consent) enter into any negotiations with any local or other authority for or consent to the compulsory acquisition of the Property either in whole or in part.

6.8.2 Application of compensation

Any compensation payment to or received by the Borrower in respect of the compulsory acquisition of the Property or any part of it will, if so and to the extent required by the Lender, be applied in or towards the discharge of the money due under this security.

6.9 Leasing and disposal etc

Save for the Licence, the Borrower must not without the previous consent in writing of the Lender (and then only to the extent permitted by and in accordance with any conditions attached to such consent):

- 6.9.1 exercise or agree to exercise any power of leasing or granting licences to occupy or of accepting surrenders of leases or licences to occupy (whether conferred by statute or otherwise) or vary or agree to vary any lease or tenancy agreement or licence to occupy or the amounts payable thereunder; or
- 6.9.2 otherwise part with or share possession or occupation of or dispose of or deal with the Property or any part of it or any interest in it

6.10 Compliance with terms of conveyances etc

6.10.1 Observance

The Borrower will observe and perform the terms of all conveyances, grants, assignments, transfers, contracts and other deeds and document from time to time affecting the Property and binding on the Borrowers.

6.10.2 Indemnity

The Borrower will keep the Lender indemnified against all proceedings and claims on account of any breach of the terms of the documents referred to in clause 6.10.1

6.10.3 Charging provisions

All expenses, damages and costs incurred by the Lender in relation to any breach referred to in clause 6.10.2 will be repaid by the Borrower to the Lender on demand together with interest from the date when the Lender becomes liable for the same until repayment by the Borrower at the Interest Rate (such interest to be payable in the same manner as interest on the Principal) all of which money and interest shall be charged on the Property.

6.11 Not to register

The Borrower must not without the previous consent in writing of the Lender cause or allow any person to be registered under the Land Registration Act 2002 as proprietor of the Property or any part of it

6.12 Other charges

The Borrower shall not without the previous consent in writing of the Lender (and then only to the extent permitted by and in accordance with any condition attached to such consent) create or permit to subsist any mortgage, pledge, charge, incumbrance, lien or other security interest in the Property other than this security.

6.13 Performance of Licensee's Covenants and Undertakings

The Borrower shall do all acts and things necessary and required to procure that the Licensee observes and performs its obligations set out in Part Two of this clause 6.

PART TWO

The Licensee covenants and undertakes with the Lender and any Receiver appointed by Lender pursuant to clause 7 of this document as set out in Part Two of this clause 6.

6.14 Undertaking to vacate the Property

The Licensee covenants and undertakes to the Lender and as a separate covenant and undertaking to any Receiver appointed by the Lender pursuant to clause 7 below that in

the event that this security becomes enforceable, the Licensee shall cease trading from the Property and shall vacate and yield up the Property free of all third party interests to the Lender and/or to the Receiver with full vacant possession no later than four weeks after being required by notice in writing from the Lender and/or the Receiver to do so and shall indemnify the Lender and/or the Receiver against all consequences of its failure to do so.

7. LENDER'S POWER AND RIGHTS

7.1 Exercise of statutory power

7.1.1 Exclusion of Section 103

The Law of Property Act 1925 Section 103 shall not apply to this security.

7.1.2 Enforcement of security and exercise of power of sale

At any time after the money secured by this deed has become due and payable the security shall be immediately enforceable and the Lender's power of sale as amended or varied by the deed shall be immediately exercisable in respect of the whole or any part of the Property without the restrictions contained in the Law of Property Act 1925 as to the giving of notice or otherwise.

7.2 Extension of statutory powers

7.2.1 Power of sale

The power of sale conferred upon mortgagees by the Law of Property Act 1925 shall be extended so as to authorise any person exercising it to do so by selling the Property or any part of it in such manner and on such conditions as to payment of the purchase price and otherwise as the Lender may think fit.

7.2.2 Powers of leasing and accepting surrenders

By way of extension of the powers contained in the Law of Property Act 1925 Section 99 and 100 the Lender shall at any time or times hereafter (and whether or not he has entered into or is in possession of the Property or has appointed a receiver who is still acting) be entitled to grant or vary or reduce any sum payable under, or accept surrenders of, leases or licenses of the Property or any part or parts of it or agree to do so without restriction in such manner and on such terms and conditions as the Lender shall think fit. For the purposes of the exercise of these powers the provisions of the Law of Property Act 1925 Section 99 shall be deemed to have been enacted with the omission of the Law of Property Act 1925 Section 99(18)

7.2.3 General

At any time after this security has become enforceable and notwithstanding the appointment of any receiver the Lender may at his absolute discretion exercise any power which a receiver appointed by him could exercise and for these purposes the Borrower authorises the Lender to opt to tax the Property under the Value Added Tax Act 1994 Schedule 10 Paragraph 2(1) on behalf of the Borrower in respect of the Property

7.2.4 Exclusion of liability

The powers referred to in or granted or varied or extended by this clause 7.2 shall be exercisable free from any liability on the part of the Lender or the person exercising them to the Borrower or any other interested person, whether in contract, tort or otherwise.

7.3 Powers in respect of furniture and effects

7.3.1 Power to remove and dispose

At any time after this security has become enforceable the Lender may, as agent for and on behalf of the Borrower and at the expense of the Borrower, remove, store preserve, sell or otherwise dispose of any livestock or any furniture, effects, chattels, or other items situate at or in the Property which are not charged by this mortgage.

7.3.2 Exclusion of liability

The Lender will have no liability to the Borrower for any loss incurred in connection with any removal, storage, preservation, sale or disposal referred to in clause 7.3.1.

7.3.4 Nature of security

To the extent the Borrower comprises an individual or individuals, the provision of this clause 7.3 are not intended to grant to the Lender any rights in, or any charge or security over, any livestock, furniture, effects, chattels or other items or the proceeds of any sale of them so as to constitute this security a bill of sale

7.4 Power to appoint a receiver

7.4.1 Appointment

At any time after this security becomes enforceable, or at the request of the Borrower, the Lender may by writing under hand appoint any person or persons to be a receiver of all or any part of the Property.

7.4.2 Removal

The Lender may at any time and from time to time by writing under hand remove any receiver so appointed and (if it so wishes) appoint another in his place or appoint an additional person as receiver.

7.4.3 Remuneration

The Lender may, either at the time of appointment or at any time subsequently and from time to time, fix the remuneration of any receiver so appointed.

7.4.4 Restrictions

None of the restrictions imposed by the Law of Property Act 1925 in relation to the appointment of receivers or as to the giving of notice or otherwise shall apply.

7.4.5 Power to act severally

When more than one receiver is appointed they shall have the power to act severally.

7.4.6 Agency

Any receiver appointed under this clause 7.4 shall be the agent of the Borrower for all purposes and the Borrower shall be solely responsible for his acts or defaults and for his remuneration.

7.4.7 General powers

Any receiver appointed under this clause 7.4 shall have all the powers conferred on mortgagees or receivers by the Law of Property Act 1925 (but without the restriction contained in the Law of Property Act 1925 Section 103) and on administrative receivers by the Insolvency Act 1986 Schedule 1 except to the extent to which those powers are expressly or impliedly excluded by the terms of this document. In the event of ambiguity or conflict the terms of this document will prevail.

7.4.8 Specific powers

In addition to the powers referred to in clause 7.4.7 any receiver appointed under this clause 7.4 shall have power at his discretion to such extent and upon such terms as he may in his absolute discretion think fit, and notwithstanding the administration or liquidation of the Borrower, to do or omit to do anything which the Borrower could do or omit to do in relation to all or any part of the Property. In particular, (but without limitation) any such receiver shall have the power.

7.4.8.1 to take possession of, collect and get in all or any part of the Property and for that purpose bring any proceedings in the name of the Borrower or otherwise;

7.4.8.2 to manage or carry on or concur in carrying on any business of the Borrower;

- 7.4.8.3 to raise or borrow money (whether from the Lender or otherwise) to rank for payment in priority to this security and with or without a charge of all or any part of the Property;
- 7.4.8.4 to sell (whether by public auction or private contract or otherwise), lease, vary, renew or surrender leases or accept surrender of leases (without needing to observe the provisions of the Law of Property Act 1925 Sections 99 and 100) of, or otherwise, dispose of or deal with all or any part of, the Property or of rights associated with all or any part of the Property or to concur in so doing whether in the name or on behalf of the Borrower or otherwise;
- 7.4.8.5 to seize and sever all or any fixtures at or in the Property other than, to the extent the Borrower comprises an individual or individuals trade machinery as defined by the Bills of Sale Act 1878 and sell the same separately from the Property or its site;
- 7.4.8.6 to settle, arrange, compromise or submit to arbitration any accounts, claims, questions or disputes whatsoever which may arise in connection with any business of the Borrower or the Property or in any way relating to this security;
- 7.4.8.7 to bring, take, defend, compromise, submit to arbitration or discontinue any actions, suits or proceeds whatsoever whether civil or criminal which may arise in connection with any business of the Borrower or the Property or in any way relating to this security;
- 7.4.8.8 to disclaim, abandon or disregard all or any outstanding contracts of the Borrower and to allow time for payment of any debts either with or without security;
- 7.4.8.9 to repair, insure, manage, protect, improve, enlarge, develop, build, complete or reconstruct or replace all or any part of the Property and to apply for and obtain any appropriate permissions, approvals, consents or licences;
- 7.4.8.10 to acquire by purchase, lease or otherwise any further property, assets or rights;
- 7.4.8.11 to appoint, employ and dismiss managers, officers, contractors and agents; and
- 7.4.8.12 to do (whether in the name of the Borrower or otherwise) all such other acts and things as he may consider necessary or desirable for the preservation, management, improvement or realisation of the Property or as he may consider incidental or conducive to any of the above matters or to the exercise of any of the above powers and for these purposes the Borrower authorises the receiver to elect to waive exemption under the Value Added Tax Act 1994 – Schedule 10 Paragraph 2(1) on behalf of the Borrower in respect of the Property

7.4.9 Application of money

All money received by any receiver shall be applied by him in the following order:

7.4.9.1 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 preferential debts);

7.4.9.2 in payment to the receiver of such remuneration as may be agreed between him and the Lender at, or at any time and from time to time after, his appointment;

7.4.9.3 in or towards satisfaction of the amount owing on this security;

With the surplus (if any) being paid to the Borrower or other persons entitled to it.

7.5 Right to consolidate

The Law of Property Act 1925 Section 93 (restricting the Lender's right of consolidation) shall not apply to this security.

8. PROTECTION OF THOSE DEALING WITH LENDER OR RECEIVER

No person dealing with the Lender or any receiver appointed by him shall be concerned, bound or entitled to inquire or be affected by notice as to any of the following matters:

- 8.1 whether this security has become enforceable;
- 8.2 whether any power exercised or purported to be exercised under this mortgage has arisen or become exercisable;
- 8.3 the propriety, regularity or purpose of the exercise or purported exercise of any such power;
- 8.4 whether any money remains due under the security; or
- 8.5 the necessity or expediency of the stipulations and conditions subject to which any disposition shall be made

and the receipt of the Lender or any receiver for any money shall effectually discharge the person paying from such matters and from being concerned to see to the application or being answerable for the loss or misapplication of such money.

9. RELEASE

When all sums due under the Sale Agreement to the Lender have been paid, the Lender shall at the request of the Borrower take whatever action is necessary to release the Property from the security constituted by this document.

10. INDULGENCE AND WAIVER

The Lender may at any time or times without discharging or diminishing or in any way prejudicing or affecting this security or any right or remedy of the Lender under this mortgage grant to the Borrower, or to any other person, time or indulgence, further credit, loans or advances or enter into any arrangement or variation of rights or, either in whole or in part, release, abstain from perfecting, or enforcing or neglect or fail to perfect or enforce any remedies, securities, guarantees or rights which he may now or subsequently have from or against the Borrower or any other person.

11. DEMANDS AND NOTICES

11.1 Form and mode of deemed service

A demand or notice by the Lender under this mortgage must be in writing and shall be deemed to have been properly served on the Borrower if served personally on:

11.1.1 the Borrower if an individual; or

11.1.2 any two of the directors of the Borrower if a limited company and there are two or more directors; or

11.1.3 any member of the Borrower if a limited liability partnership

or by first class letter post addressed to the Borrower at or by delivery to his usual or last known place of abode or business and (if a company or limited liability partnership) at its registered office.

11.2 Method of service

Service shall be deemed to be effected notwithstanding the death or as appropriate dissolution of the Borrower:

11.2.1 at 10:00 hours on the second business day (being a day when the United Kingdom clearing banks are open for business in the City Of London) immediately following the day of posting if given by first class letter post irrespective of the time or date of actual delivery or a lack of delivery;

11.2.2 when left at the property concerned if delivered.

11.3 Other methods of service

The methods of service described in clause 10.1 are in addition, and without prejudice, to any other method of service prescribed or permitted by law and in particular to the provisions of the Law of Property Act 1925 Section 196.

11.4 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.

12. VALIDITY AND SEVERABILITY

12.1 Enforceability

Each of the provisions of this mortgage is severable and distinct from the others and if at any time one or more of such provisions is or becomes invalid, illegal or unenforceable the validity, legality and enforceability of the remaining provisions shall not be affected or impaired.

12.2 Lack of capacity

If this mortgage is executed by or on behalf of more than one person and any one or more of those persons is not bound by its provisions (whether by reason of lack of capacity or improper execution or for any other reason), the remaining parties shall continue to be so bound as if those who are not bound had not been parties to the security.

13 EXCLUSION OF THIRD PARTY RIGHTS

Nothing in this mortgage is intended to confer any benefit on any person which is not a party to it.

14 GOVERNING LAW AND JURISDICTION

14.1 Construction

The mortgage shall be governed by and construed in accordance with English law.

14.2 Jurisdiction of English courts

It is irrevocably agreed for the exclusive benefit of the Lender that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this mortgage and that accordingly any suit, action or proceeding arising out of or in connection with this mortgage may be brought in such courts.

14.3 Jurisdiction of other courts

Nothing in this clause 14 shall limit the Lender's right to take proceedings against the Borrower in any other court of competent jurisdiction, nor shall the taking of proceedings in one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not.

IN WITNESS thereof the parties have executed this document as a deed the day and year first above written

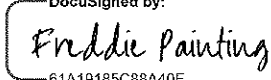
SCHEDULE

The Property

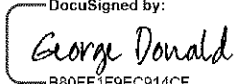
All that freehold land and buildings situated at and known as The Mallyan Spout Hotel, Goathland, Whitby, Nort Yorkshire YO22 5AN and registered at HM Land Registry with absolute title under title number NYK76652

The Property is charged subject to and with the benefit of the Licence and is charged subject to and with the benefit of the rights, reservations, covenants and restrictions and other matters mentioned contained or referred to in the registers of the above Title Number

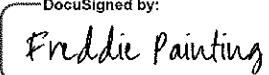
Executed as a Deed by Millwood
Enterprises Limited acting by a duly
authorised director in the presence of:

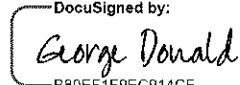
DocuSigned by:

.....61A19185C88A40E.....
Director

Witness

DocuSigned by:

Signature.....B80EF1F9EC914CF.....
George Donald
Name.....
Bagley Edge,
Address.....badgers lane, oxfo.....
ox15b1
.....

Executed as a Deed by Millwood
Hotels Limited acting by a duly
authorised director in the presence of:

DocuSigned by:

.....61A19185G88A40E.....
Director

DocuSigned by:

Witness
Signature.....B80EF1F9EC914CF.....
George Donald
Name.....
Bagley Edge, Badgers
Address.....lane, Oxford.....
ox15b1
.....

Signed and Delivered as a Deed
by Stuart John Knight in the
presence of:

.....
Stuart John Knight

Witness
Signature.....
Name.....
Address.....
.....

Signed and Delivered as a Deed
by Nicola Jane Knight in the
presence of:

.....
Nicola Jane Knight

Witness
Signature

Name

Address
.....

Signed and Delivered as a Deed
Kay Georgina Bell in the
presence of:
Kay Georgina Bell

Witness
Signature

Name

Address
.....