



Registration of a Charge

Company name: **DIVERSE LEISURE LIMITED**

Company number: **10123762**



X85GH2UA

Received for Electronic Filing: **14/05/2019**

Details of Charge

Date of creation: **03/05/2019**

Charge code: **1012 3762 0004**

Persons entitled: **AURA FINANCE LIMITED**

Brief description: **ROSE COTTAGE, 1 HORWOOD LANE, WICKWAR, WOTTON-UNDER-EDGE, GL12 8NU (EQUITABLE CHARGE) TITLE NUMBER: GR426780 FOR MORE DETAILS PLEASE REFER TO THE INSTRUMENT.**

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **SIMON COLE**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 10123762

Charge code: 1012 3762 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 3rd May 2019 and created by DIVERSE LEISURE LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 14th May 2019 .

Given at Companies House, Cardiff on 15th May 2019

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

Date: [.....3 May.....] 2019

Diverse Leisure Limited

as Mortgagor

Aura Finance Limited

as Lender

Third Party Equitable Mortgage

THIS DEED is made the [3] day of [May] 2019

BETWEEN:

- (1) **DIVERSE LEISURE LIMITED** a company registered in England (company registration no. 10123762) whose registered office is at Corners, 28 Grange Park, Westbury-On-Trym, Bristol, BS9 4BP (the "**Mortgagor**")
- (2) **AURA FINANCE LIMITED** a company registered in England (company registration no. 08326315) whose registered office is at 3rd Floor, Premiere House, Elstree Way, Borehamwood, Hertfordshire, WD6 1JH (the "**Lender**");

BACKGROUND:

- (A) The Lender has agreed, pursuant to a Facility Letter, to provide the Borrower with loan facilities on a secured basis.
- (B) The Mortgagor is the owner of the Property.
- (C) This deed provides security which the Mortgagor has agreed to give the Lender for the loan facilities made or to be made available under the said Facility Letter and all liabilities and obligations arising under all other existing and/or future agreements, deeds or documents which the Mortgagor agrees or does, in the future, agree shall be secured upon the Charged Property.

IT IS AGREED:

1. Definitions and Interpretation

1.1 Definitions

The definitions and rules of interpretation in this clause apply in this Deed.

"Assigned Agreements" means the agreements (if any) details of which are set out in Schedule 1);

"Borrower" means Nicholas Paul Bracey of Flat 21, Capricorn Place, Lime Kiln Road, Bristol, BS8 4SX;

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

"Certificate of Title" means any report on or certificate of title relating to the Property supplied to the Lender by or on behalf of the Mortgagor;

"Charged Property" means all the assets, property and undertaking from time to time subject to any Encumbrance created by this Deed other than any personal chattels or trade machinery as defined in sections 4 and 5 of the Bills of Sale Act 1878 (and references to the Charged Property shall include references to any part of it);

"Costs" means all costs, charges, expenses, taxes and liabilities of any kind, including (without limitation) costs and damages in connection with litigation, professional fees, disbursements and any VAT charged on Costs which the Lender or any Receiver may reasonably charge or reasonably incur;

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

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

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

"Environmental Licence" means any authorisation, permit or licence necessary under Environmental Law in respect of any of the Charged Property;

"Event of Default" means any event which falls within the definition of an Event of Default in any of the Facility Letters;

"Facility Letters" means:

- (a) the Facility Letter between the Lender and the Borrower for the provision of the loan facilities secured by this Deed as amended from time to time; and
- (b) all other existing and/or future agreements, deeds or documents, as amended from time to time, by or in relation to which the Mortgagor has agreed, or does in future agree, in writing that the Borrower's and / or Mortgagor's liabilities and obligations to the Lender are to be secured upon the Charged Property;

"Indebtedness" means any obligation to pay or repay money, present or future, whether actual or contingent, sole or joint;

"Insurance Policy" means each contract or policy of insurance effected or maintained from time to time in respect of the Property;

"LPA 1925" means the Law of Property Act 1925;

"Permitted Encumbrance" means none.

"Property" means the freehold or leasehold property (whether registered or unregistered) owned by the Mortgagor described in Schedule 2;

"Receiver" means a receiver or receiver and manager of any or all of the Charged Property;

"Rights" means any Security Interest or other right or benefit whether arising by set-off, counterclaim, subrogation, indemnity, proof in liquidation or otherwise and whether from contribution or otherwise;

"Secured Liabilities" means all present and future monies, obligations and liabilities owed by the Mortgagor and/or Borrower to the Lender, whether actual or contingent and whether owed jointly or severally, as principal or surety and/or in any other capacity whatsoever under or in connection with the Facility Letters or this Deed together with all interest (including, without limitation, default interest) accruing in respect of such monies, obligations or liabilities;

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

"Security Period" means the period starting on the date of this Deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding;

"Valuation" any valuation relating to the Property supplied to the Lender by or on behalf of the Borrower and/or the Mortgagor;

"VAT" means value added tax.

1.2 Interpretation

In this Deed:

- (a) reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of any amendment or re-enactment or extension and includes any former statute, statutory provision or subordinate legislation which it amends or re-enacts;
- (b) unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- (c) unless the context otherwise requires, words in the singular include the plural and in the plural include the singular;
- (d) a reference to a clause or Schedule is to a clause of, or Schedule to, this Deed and references to paragraphs are to paragraphs of the relevant Schedule, unless the context otherwise requires;
- (e) a reference to **continuing** in relation to an Event of Default means an Event of Default which has not been remedied or waived;
- (f) a reference to **this Deed** (or any provision of it) or any other document shall be construed as a reference to this deed, that provision or that document as it is in force from time to time and as amended in accordance with its terms or with the agreement of the relevant parties;
- (g) a reference to a **person** shall include a reference to an individual, firm, company, partnership, corporation, unincorporated body of persons, or any state or any agency of any person;
- (h) a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and **amended** shall be construed accordingly);
- (i) a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description other than goods or personal chattels;
- (j) a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- (k) a reference to a **lease** includes a reference to a tenancy;

- (l) a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (m) a reference to the **Mortgagor**, the **Borrower** or the **Lender** shall include their respective successors, permitted transferees and permitted assigns;
- (n) where the Borrower and/or the Mortgagor comprise more than one person the liabilities and obligations of the persons comprising the Borrower and/or the Mortgagor shall be joint and several;
- (o) where there is any conflict between the terms of this Deed and the Facility Letters, the terms of the Facility Letters shall prevail; and
- (p) clause, Schedule and paragraph headings shall not affect the interpretation of this Deed.

1.3 Clawback

If the Lender considers, on reasonable grounds, that an amount paid by the Borrower and/or the Mortgagor in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the bankruptcy of the Borrower and/or the Mortgagor, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.

1.4 Nature of security over real property

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

- (a) all buildings and fixtures and fittings and fixed plant and machinery which are situated on and form part of the Property at any time but excluding trade machinery within the meaning of s 5 of the Bills of Sale Act 1878;
- (b) the proceeds of sale of any part of the Property and any other monies paid or payable in respect of or in connection with the Property;
- (c) the benefit of any covenants for title given, or entered into, by any predecessor in title of the Mortgagor in respect of the Property and any monies paid or payable in respect of those covenants; and
- (d) all rights under any licence, agreement for sale or agreement for lease in respect of the Property.

1.5 Law of Property (Miscellaneous Provisions) Act 1989

For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Facility Letters and of any side letters between any parties in relation to the Facility Letters are incorporated into this Deed.

1.6 Third party rights

A third party (being any person other than the Borrower, the Mortgagor, the Lender and their respective permitted successors and assigns and any Receiver) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce, or to enjoy the benefit of, any term of this Deed.

1.7 Perpetuity period

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

1.8 Schedules

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

2. Covenant to Pay

2.1 The Mortgagor shall on demand pay to the Lender and discharge the Secured Liabilities when they become due.

2.2 Each Mortgagor shall be liable to the Lender as principal debtor by way of indemnity for each and every one of the Secured Liabilities when it becomes due, notwithstanding the occurrence of any such event as is described in clause 5.1 of this Deed.

3. Grant of Security

3.1 Legal mortgage and fixed charges

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

(a) by way of an equitable mortgage, the Property, and

(b) by way of equitable charge:

(i) all the Mortgagor's rights in each Insurance Policy, including the proceeds of any claims under each Insurance Policy, and

(ii) the benefit of all other contracts, guarantees, appointments and warranties and authorisations (statutory or otherwise) relating to the Charged Property to which the Mortgagor is a party or which are in favour of the Mortgagor or of which the Mortgagor has the benefit relating to any letting, development, sale, purchase, use or the operation of the Charged Property or otherwise relating to the Charged Property (including, in each case, but without limitation, the right to demand and receive all monies whatever payable to or for the benefit of the Mortgagor under or arising from any of them, all remedies provided for in any of them or available at law or in equity in relation to any of them, the right to compel performance of any of them and all other rights, interests and benefits whatever accruing to or for the benefit of the Mortgagor arising from any of them),

3.2 Assignment

As a continuing security for the payment and discharge of the Secured Liabilities, the Mortgagor with full title guarantee assigns to the Lender, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities all the Mortgagor's rights in each Insurance Policy, including the proceeds of any claims under each Insurance Policy.

3.3 Two or more Mortgagors

Where there are two or more persons named as the Mortgagor, the security hereby constituted shall be a charge over the Charged Property and over any separate interest whether legal or equitable of each Mortgagor in the Charged Property or any part of it.

3.4 Interests less than the whole

If the Mortgagor's interest in the Charged Property is less than the whole legal and equitable interest or is in respect of less than the whole of the Charged Property, then in every such case, this Deed shall take effect as a Deed of Charge upon such interest, whether legal or equitable or partly legal and partly equitable, as the Mortgagor has in the Charged Property or any part of the Charged Property.

4. Perfection of Security

4.1 Registration of legal mortgage at the Land Registry

The Mortgagor consents to an application being made by the Lender to the Land Registrar for the following restriction in Form ~~N~~^P to be registered against the Mortgagor's title to the Property:

M "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 [3 May 2019] in favour of~~ Aura Finance Limited referred to in the charges register or their conveyancer." of 3rd floor, Premiere House, Station Road, Borehamwood, WD6 1JH.

4.2 Further advances

The security hereby constituted is made to secure further advances. The Lender covenants with the Mortgagor that the Lender shall perform its obligations to make advances to the Borrower under the Facility Letters (including any obligation to make available further advances).

4.3 First registration

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

4.4 Cautions against first registration and notices

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

5. Liability of the Mortgagor and Lender's Protections

5.1 Liability not discharged

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

- (a) any intermediate payment, settlement of account or discharge in whole or in part of the Secured Liabilities;
- (b) any variation, extension, discharge, compromise, dealing with, exchange or renewal of any right or remedy which the Lender may now or after the date of this Deed have from or against the Borrower, the Mortgagor or any other person in connection with the Secured Liabilities;
- (c) any act or omission by the Lender or any other person in taking up, perfecting or enforcing any Security Interest, indemnity, or guarantee from or against the Borrower, the Mortgagor or any other person;
- (d) any termination, amendment, variation, novation or supplement of or to any of the Secured Liabilities;
- (e) any grant of time, indulgence, waiver or concession to the Borrower, the Mortgagor or any other person;
- (f) any insolvency, bankruptcy, liquidation, administration, winding up, incapacity, limitation, disability, the discharge by operation of law, or any change in the constitution, name or style of the Borrower, the Mortgagor or any other person;
- (g) any invalidity, illegality, unenforceability, irregularity or frustration of any actual or purported obligation of, or Security Interest held from, the Borrower, the Mortgagor or any other person in connection with the Secured Liabilities;
- (h) any claim or enforcement of payment from the Borrower, the Mortgagor or any other person; or
- (i) any other act or omission which would not have discharged or affected the liability of the Mortgagor had it been a principal debtor or by anything done or omitted by any person which, but for this provision, might operate to exonerate or discharge the Mortgagor or otherwise reduce or extinguish the Mortgagor's liability under this Deed.

5.2 Immediate recourse

The Mortgagor waives any right it may have to require the Lender:

- (a) to take any action or obtain judgment in any court against the Borrower or any other person;
- (b) to make or file any claim in a bankruptcy, liquidation, administration or insolvency of the Borrower or any other person; or
- (c) to make demand, enforce or seek to enforce any claim, right or remedy against the Borrower or any other person,

before taking steps to enforce any of its rights or remedies under this Deed.

5.3 Non-competition

The Mortgagor warrants to the Lender that the Mortgagor has not taken or received, and shall not take, exercise or receive the benefit of any Rights from or against the Borrower, the Borrower's trustee in bankruptcy, co-guarantor or any other person in connection with any liability of, or payment by, the Mortgagor under this Deed but:

- (a) if any of the Rights is taken, exercised or received by the Mortgagor, those Rights and all monies at any time received or held in respect of those Rights shall be held by the Mortgagor on trust for the Lender for application in or towards the discharge of the Secured Liabilities under this Deed; and
- (b) on demand by the Lender, the Mortgagor shall promptly transfer, assign or pay to the Lender all Rights and all monies from time to time held on trust by the Mortgagor under this clause 5.3.

6. Representations and Warranties

6.1 Times for making representations and warranties

The Mortgagor makes the representations and warranties set out in this clause 6 to the Lender on the date of this Deed and the representations and warranties contained in clauses 6.2 to 6.3 (inclusive) and clauses 6.5 to 6.13 (inclusive) are deemed to be repeated on each day of the Security Period with reference to the facts and circumstances existing at the time of repetition.

6.2 Ownership of Charged Property

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

6.3 No Encumbrances

So far as the Mortgagor is or should, acting reasonably, be aware, the Charged Property is free from any Encumbrance other than Permitted Encumbrances and the Encumbrances created by this Deed.

6.4 No adverse claims

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

6.5 No adverse covenants

So far as the Mortgagor is or should, acting reasonably, be aware, there are no covenants, agreements, reservations, conditions, interests, rights or other matters whatever, which materially and adversely affect the Charged Property.

6.6 No breach of laws

So far as the Mortgagor is or should, acting reasonably, be aware, there is no breach of any law or regulation which materially and adversely affects the Charged Property.

6.7 No interference in enjoyment

So far as the Mortgagor is or should, acting reasonably, be aware, no facility necessary for the enjoyment and use of the Charged Property is subject to terms entitling any person to terminate or curtail its use, save as set out in the lease of the Property where the Property is leasehold.

6.8 No overriding interests

So far as the Mortgagor is or should, acting reasonably, be aware, no person has an interest which could take priority over the Lender's interest under this Deed as an overriding interest in the Property.

6.9 No prohibitions or breaches

So far as the Mortgagor is or should, acting reasonably, be aware, there is no prohibition on the Mortgagor assigning his rights in any of the Charged Property referred to in clause 3.1(b) and the entry into of this Deed by the Mortgagor does not and will not constitute a breach of any policy, agreement, instrument or obligation binding on the Mortgagor.

6.10 Environmental compliance

So far as the Mortgagor is or should, acting reasonably, be aware, the Mortgagor has, at all times, complied in all material respects with all applicable Environmental Law and Environmental Licences.

6.11 Information for Valuations and Certificates of Title

- (a) All written information supplied by or on behalf of the Borrower for the purpose of each Valuation and Certificate of Title was true and accurate in all material respects as at its date or as at the date (if any) on which it was stated to be given;
- (b) the information referred to in clause 6.11(a) was, as at its date or as at the date (if any) on which it was stated to be given, complete and the Borrower did not omit to supply any information which, if disclosed, would adversely affect the Valuation or Certificate of Title; and
- (c) nothing has occurred between the date or dates when the information referred to in clause 6.11(a) was supplied and the date of this Deed which would adversely affect such Valuation or Certificate of Title.

6.12 Avoidance of security

So far as the Mortgagor is or should, acting reasonably, be aware no Encumbrance expressed to be created under this Deed is liable to be avoided, or otherwise set aside, on the bankruptcy of the Mortgagor.

6.13 Enforceable security

So far as the Mortgagor is or should, acting reasonably, be aware, this Deed constitutes and will constitute the legal, valid, binding and enforceable obligations of the Mortgagor and is and will continue to be effective security over all and every part of the Charged Property in accordance with its terms.

7. Covenants

The Mortgagor covenants with the Lender in the terms set out in Schedule 3.

8. Powers of the Lender

8.1 Power to remedy

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

- (c) Any monies expended by the Lender in remedying a breach by the Mortgagor of his obligations contained in this Deed, shall be reimbursed by the Mortgagor to the Lender on a full indemnity basis and shall carry interest in accordance with clause 14.
- (d) In remedying any breach in accordance with this clause 8.1, the Lender, its agents and their respective officers, agents and employees shall be entitled to enter onto the Property and to take any action as the Lender may reasonably consider necessary or desirable including, without limitation, carrying out any repairs, other works or development.

8.2 Exercise of rights

The rights of the Lender under clause 8.1 are without prejudice to any other rights of the Lender under this Deed.

8.3 Lender has Receiver's powers

Any right, power or discretion conferred by statute or by this Deed on a Receiver may, after the security constituted by this Deed has become enforceable, be exercised by the Lender in relation to any of the Charged Property (whether as attorney of the Mortgagor, in the Lender's capacity as mortgagee or otherwise) whether or not it has taken possession of any Charged Property and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

8.4 Conversion of currency

- (a) For the purpose of, or pending, the discharge of any of the Secured Liabilities, the Lender may convert any monies received, recovered or realised by it under this Deed (including the proceeds of any previous conversion under this clause 8.4) from their existing currencies of denomination into such other currencies of denomination as the Lender, acting reasonably, may think fit.
- (b) Any such conversion shall be effected at the Lender's then prevailing spot selling rate of exchange for such other currency against the existing currency or if the Lender has no such spot rate then a spot rate reasonably selected by the Lender.
- (c) Each reference in this clause 8.4 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

8.5 Indulgence

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

9. When Security Becomes Enforceable

9.1 Security becomes enforceable following certain events

The security constituted by this Deed shall be immediately enforceable if:

- (a) an Event of Default occurs; or

- (b) any of the Secured Liabilities shall not be paid or discharged when the same ought to be paid or discharged by the Mortgagor and/or the Borrower (whether on demand or at scheduled maturity or by acceleration or otherwise, as the case may be), or
- (c) the Mortgagor and/or the Borrower shall be in breach of any of the Mortgagor's and/or the Borrower's obligations under the Facility Letters, this Deed or under any other agreement deed or document between the Mortgagor and/or the Borrower and the Lender and that breach (if capable of remedy) has not been remedied to the reasonable satisfaction of the Lender within 14 days of notice by the Lender to the Mortgagor and/or the Borrower (as the case may be) to remedy the breach, or
- (d) any representation, warranty or statement made, repeated or deemed made by the Mortgagor and/or the Borrower in, or pursuant to, any of the Facility Letters or this Deed is (or proves to have been) incomplete, untrue, incorrect or misleading in any material respect when made, repeated or deemed made, or

9.1.2 Discretion

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

10. Enforcement of Security

10.1 Enforcement powers

- (a) The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this Deed) shall arise on the execution of this Deed and shall become immediately exercisable (without the restrictions contained in the LPA 1925 as to the giving of notice or otherwise) at any time after the security constituted by this Deed has become enforceable under clause 9.1.
- (b) Section 103 of the LPA 1925 (restricting the power of sale) does not apply to the security constituted by this Deed.

10.2 Extension of statutory powers of leasing

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

- (a) grant or vary any lease or agreement for lease,
- (b) accept surrenders of leases, or
- (c) grant any option over the whole or any part of the Property with whatever rights relating to other parts of it,

whether or not at a premium and containing such covenants on the part of the Mortgagor and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Lender or Receiver, acting reasonably and properly for the purposes of protecting and/or realising the Lender's security under this Deed, thinks fit, without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

10.3 Where the Lender or Receiver takes possession of the Property

Where the Lender or any Receiver takes possession of the Property and goods furniture chattels personal effects or other items ("Goods") remain at the Property the Lender or the Receiver:

- (a) may remove and store any Goods;
- (b) may dispose of the Goods by sale or otherwise, as the Lender or Receiver acting reasonably considers fit or, if Lender or the Receiver know that the Goods do not belong to the Mortgagor, return them to their rightful owner.
- (c) may include the Goods in any sale of the Property;
- (d) will only take the steps mentioned in clause 10.3(a), 10.3(b) or 10.3(c) if the Mortgagor has not removed the Goods within seven days after the Lender or the Receiver has given notice to the Mortgagor asking the Mortgagor to remove them or has failed after taking reasonable steps to trace or communicate with the Mortgagor;
- (e) may arrange for an appropriate organisation to remove and care for any animals found at the Property at the Mortgagor's cost;

provided always that nothing in this clause 10.3 gives the Lender any charge or other security interest in any Goods or animals at the Property and the Lender or the Receiver will return to the Borrower the proceeds of sale of the Goods.

10.4 Prior Encumbrances

At any time after the security constituted by this Deed has become enforceable, or after any power to repossess the Charged Property or to appoint a receiver in respect of the Charged Property which is conferred by any Encumbrance having priority to this Deed shall have become exercisable, the Lender may:

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

All monies paid by the Lender to an encumbrancer in settlement of such an account shall be, as from its payment by the Lender, due from the Mortgagor to the Lender, and shall bear interest at the same rate of interest as would have applied under the prior Encumbrance, and shall be secured as part of the Secured Liabilities.

10.5 Protection of third parties

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

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

10.6 Privileges

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

10.7 Relinquishing possession

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

10.8 Conclusive discharge to purchasers

The receipt of the Lender or any Receiver shall be a conclusive discharge to a purchaser.

11. Receivers

11.1 Appointment

At any time after the security constituted by this Deed has become enforceable, or at the request of the Mortgagor, the Lender may, without further notice appoint any one or more person or persons to be a receiver, or a receiver and manager, of all or any part of the Charged Property. The appointment may be made by deed or in writing and signed by any one of the Lender's directors officers or managers.

11.2 Removal

The Lender may, without further notice, from time to time, remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated. Such removal may be made by deed or in writing and signed by any one of the Lender's directors officers or managers.

11.3 Remuneration

The Lender may fix a reasonable rate of remuneration for any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925 and, immediately on its being paid by the Lender, the reasonable remuneration of the Receiver shall become a debt which is due under and secured by this Deed.

11.4 Power of appointment additional to statutory powers and limitation of powers

- (a) The power to appoint a Receiver conferred by this Deed shall be in addition to all statutory and other powers of the Lender under the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925.
- (b) The Lender may either in a Receiver's appointment or from time to time afterwards in writing exclude any one or more of the powers mentioned in clause 12 of this Deed.

11.5 Power of appointment exercisable despite prior appointments

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

11.6 Agent of the Mortgagor

Any Receiver appointed by the Lender under this Deed shall be the agent of the Mortgagor and the Mortgagor shall be solely responsible for the Receiver's acts and defaults. The Receiver may exercise his powers in the name of the Mortgagor or otherwise.

12. Powers of Receiver

12.1 Powers additional to statutory powers

- (a) Any Receiver appointed by the Lender under this Deed shall, in addition to the powers conferred on him by statute, have the powers set out in clause 12.2 to clause 12.19 but shall have no power to sever and sell separately any fixtures or fittings from the Property.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.
- (c) If more than one person is appointed Receiver pursuant to this Deed then if any one of them is removed from office, resigns, dies, or for any other reason ceases to be able to act as Receiver, the other person or persons appointed Receiver shall continue in office as Receiver with authority to exercise all the powers of a receiver given by this Deed or by statute or otherwise.

12.2 Repair and develop the Property

Provided that it is reasonable to do so for the purpose of protecting and/or realising the Lender's security under this Deed, a Receiver may undertake or complete any works of repair, alteration, building or development on the Property and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same.

12.3 Where the property is leasehold

Provided that it is reasonable to do so for the purpose of protecting and/or realising the Lender's security under this Deed, a Receiver may if the Property is leasehold vary the terms of or surrender the lease and/or take a new lease of the Property or of any part of the Property and/or exercise any rights of the Mortgagor to extend or renew the lease of the Property or to acquire the freehold or any superior interest in the Property (or any interest in them) on such terms as he shall reasonably think fit and so that any such new lease, freehold or superior interest (or any interest in them) in the Property shall, from its commencement or acquisition, become charged to the Lender on the terms of this Deed so far as applicable and to execute a formal legal charge over any such new lease freehold or superior interest (or any interest in them) in favour of the Lender in such form as the Lender may reasonably require.

12.4 Vary grant or accept surrenders of leases

A Receiver may vary, grant, or accept surrenders of, any leases or tenancies affecting the Property and may grant or vary any other interest or right over the Property on such terms and subject to such conditions as he reasonably considers appropriate for the purpose of protecting and/or realising the Lender's security under this Deed.

12.5 Employ personnel and advisers

Provided that, in doing so, he acts reasonably and for the purpose of protecting and/or realising the Lender's security under this Deed, a Receiver may provide services and employ, or engage, such managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on such terms and subject to such conditions as he reasonably thinks fit. Provided that it is reasonable for him to do so for the purpose of protecting and/or realising the Lender's security under this Deed, a Receiver may discharge any such person or any such person appointed by the Mortgagor.

12.6 Make and revoke VAT options to tax

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

12.7 Charge for remuneration

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

12.8 Taking possession of and getting in the Charged Property

(a) A Receiver may take possession of, collect and get in the Charged Property or any part of it in respect of which he is appointed and make such demands and take such proceedings as he reasonably considers to be expedient for that purpose.

(b) Provided that, in doing so, he acts reasonably and for the purpose of protecting and/or realising the Lender's security under this Deed, a Receiver may, after giving the Mortgagor notice, buy or pay for the release of any interest which another person has in the Charged Property if that interest has (or may have) priority over this Deed. Any money paid to buy or release another person's interest in the Charged Property will form part of the Secured Liabilities.

12.9 Manage or reconstruct the Mortgagor's business

Provided that, in doing so, he acts reasonably and for the purpose of protecting and/or realising the Lender's security under this Deed, a Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Mortgagor carried out at the Property.

12.10 Dispose of Charged Property

Provided that, in doing so, he acts reasonably and for the purpose of protecting and/or realising the Lender's security under this Deed, a Receiver may grant options and licences over all or any part of the Charged Property, sell, assign, lease and accept surrenders of leases of (or concur in selling, assigning, leasing or accepting surrenders of leases of) all or any of the Charged Property in respect of which he is appointed for such consideration and, in such manner (including, without limitation, by public auction or private sale) and generally on such terms and conditions as he reasonably thinks fit.

12.11 Give valid receipts

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

12.12 Make settlements

Provided that, in doing so, he acts reasonably and for the purpose of protecting and/or realising the Lender's security under this Deed, a Receiver may make any arrangement, settlement or compromise in respect of the Charged Property between the Mortgagor and any other person which he may reasonably think expedient.

12.13 Bring proceedings

Provided that, in doing so, he acts reasonably and for the purpose of protecting and/or realising the Lender's security under this Deed, a Receiver may bring, prosecute, enforce, defend and abandon all such actions, suits and proceedings in relation to any of the Charged Property as he reasonably thinks fit.

12.14 Insure

A Receiver may, if he thinks fit, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Borrower under this Deed.

12.15 Powers under LPA 1925

A Receiver may exercise all powers provided for in the LPA 1925 in the same way as if he had been duly appointed under the LPA 1925.

12.16 Borrow

Provided that, in doing so, he acts reasonably and for the purpose of protecting and/or realising the Lender's security under this Deed, a Receiver may, for any of the purposes authorised by this clause 12, raise money by borrowing from the Lender (or from any other person) either unsecured or on the security of all or any of the Charged Property in respect of which he is appointed on such terms as he reasonably thinks fit (including, if the Lender consents, terms under which such security ranks in priority to this Deed).

12.17 Absolute beneficial owner

Provided that, in doing so, he acts reasonably and for the purpose of protecting and/or realising the Lender's security under this Deed, a Receiver may, in relation to any of the Charged Property, exercise all powers, authorisations and rights he would be capable of exercising, and do all such acts and things, as an absolute beneficial owner could exercise or do in the ownership and management of the Charged Property or any part of the Charged Property.

12.18 Perform Mortgagor's obligations

Provided that, in doing so, he acts reasonably and for the purpose of protecting and/or realising the Lender's security under this Deed, a Receiver may perform any obligation of the Mortgagor under this Deed which the Mortgagor has failed to perform in full and put right any matter or thing which has occurred as a result of the Mortgagor's breach of this Deed.

12.19 Incidental powers

A Receiver may do all such other acts and things:

- (a) as he may reasonably consider desirable or necessary for protecting or realising any of the Charged Property,

- (b) as he may reasonably consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this Deed or law.

13. Order of Application of Proceeds

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

- (a) in discharge of all rents, taxes, rates and outgoings properly payable in respect of the Charged Property,
- (b) in or towards payment for any other costs, charges and expenses properly incurred by or on behalf of the Lender or any Receiver, attorney or agent appointed by it under or in accordance with this Deed and of all remuneration properly due to any Receiver in accordance with this Deed,
- (c) in or towards payment of the Secured Liabilities in such order and manner as the Lender determines, and
- (d) in payment of the surplus (if any) to the Mortgagor or other person entitled to it.

13.2 Appropriation

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

14. Costs

The Mortgagor shall pay to, or reimburse, the Lender and any Receiver on demand all reasonable Costs reasonably incurred by the Lender or any Receiver in connection with:

- 14.1 this Deed or the Charged Property,
- 14.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lender's or Receiver's rights under this Deed, or
- 14.3 taking proceedings for, or recovering, any of the Secured Liabilities,

together with interest on those Costs, which shall, in the case of each Cost, accrue and be payable in respect of the period commencing on and including the date which is 10 days after the date on which notice of the fact that that Cost has been incurred is given to the Mortgagor up to and including the date when full discharge or reimbursement of that Cost is made by the Mortgagor (whether before or after judgment partial payment or bankruptcy of the Mortgagor) at the rate and in the manner applying from time to time under the most recent Facility Letter or as otherwise agreed in writing between the Lender and the Mortgagor.

15. Further Assurance

The Mortgagor shall, at his own expense, take whatever action the Lender or any Receiver may reasonably require for:

- 15.1 creating, perfecting or protecting the security intended to be created by this Deed,
- 15.2 facilitating the realisation of any of the Charged Property, or
- 15.3 facilitating the exercise of any right, power, authority or discretion exercisable by the Lender or any Receiver in respect of any of the Charged Property,

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

16. Power of Attorney

16.1 Appointment of attorneys

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

- (a) the Mortgagor is required to execute and do under this Deed, and/or
- (b) is proper or desirable for the purpose of facilitating the exercise any of the rights, powers, authorities and discretions conferred by this Deed or by law on the Lender or any Receiver.

16.2 Ratification of acts of attorneys

The Mortgagor ratifies and confirms, and agrees to ratify and confirm, anything which any of its attorneys may do in the proper and lawful exercise of all or any of the rights, powers, authorities and discretions referred to in clause 16.1.

17. Release

Subject to clause 19.3, on the expiry of the Security Period (but not otherwise), the Lender shall, at the request and cost of the Mortgagor, take whatever action is necessary to release the Charged Property from the security constituted by this Deed.

18. Assignment and Transfer

18.1 Assignment by Lender

- (a) At any time, without the consent of the Mortgagor, the Lender may assign or transfer the whole or any part of the Lender's rights and/or obligations under this Deed to any person. Any such assignment or transfer shall not cause the Mortgagor's rights under this Deed to be reduced materially or cause the Mortgagor's obligations under this Deed to be increased materially.
- (b) The Lender may disclose to any actual or proposed assignee or transferee such information about the Mortgagor, the Charged Property and this Deed as the Lender considers appropriate.

18.2 Assignment by Mortgagor

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

19. Further Provisions

19.1 Independent security

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

19.2 Continuing security

This deed shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Secured Liabilities have been fully and irrevocably discharged.

19.3 Discharge conditional

Any release, discharge or settlement between the Mortgagor and the Lender shall be conditional on no payment or security received by the Lender in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, or otherwise.

19.4 Rights cumulative

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

19.5 Variations and waivers

Any waiver or variation of any right by the Lender (whether arising under this Deed or under the general law) shall only be effective if it is in writing and signed by the Lender and applies only in the circumstances for which it is given.

19.6 Delay

No delay or failure to exercise any right or power under this Deed shall operate as a waiver.

19.7 Single or partial exercise

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

19.8 Partial invalidity

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

19.9 Consolidation

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

20. Notices

20.1 Service

Each notice or other communication given under or in connection with this Deed shall be in writing, delivered personally or sent by pre-paid first-class letter, fax or e mail, and sent:

- (a) to the Mortgagor at the Property;
- (b) to the Lender at:
 - (i) 3rd Floor Premiere House, Elstree Way, Borehamwood, WD6 1JH marked for the attention of The Directors and/or
 - (ii) Fax: 020 8731 5444 marked for the attention of The Directors

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

20.2 Receipt

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

- (a) if sent by fax or e mail, when transmitted,
- (b) if given by hand, at the time of actual delivery, and
- (c) if posted, on the second Business Day after the day it was sent by pre-paid first-class post.

provided that a notice or other communication given as described in clause 20.1(a) or clause 20.1(b) on a day which is not a Business Day, or after normal business hours, in the place to which it is sent, shall be deemed to have been received on the next Business Day.

21. Governing Law and Jurisdiction

21.1 Governing law

- (a) This deed and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.
- (b) Nothing in this clause shall limit the right of the Lender to take proceedings against the Mortgagor in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

21.2 Jurisdiction

The parties to this Deed irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Deed or its subject matter or formation (including non-contractual disputes or claims).

21.3 Other service

The Mortgagor irrevocably consents to any process in any proceedings under clause 21.1 being served on it in accordance with the provisions of this Deed relating to service of notices. Nothing contained in this Deed shall affect the right to serve process in any other manner permitted by law.

22. Counterparts

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

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

Schedule 1

Assigned Agreements

None

Schedule 2

Property

Rose Cottage, 1 Horwood Lane, Wickwar, Wotton-under-edge, GL12 8NU

(Equitable Charge)

Title Number: GR426780

Schedule 3

Covenants

Part 1- General covenants

1. Negative Pledge and Disposal Restrictions

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

- 1.1 create, purport to create or permit to subsist any Encumbrance on, or in relation to, any Charged Property other than any Encumbrance created by or in accordance this Deed or any Permitted Encumbrance,
- 1.2 sell, assign, transfer, part with possession of or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, the Charged Property, or
- 1.3 create or grant (or purport to create or grant) any interest in the Charged Property in favour of a third party.

2. Preservation of Charged Property

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

3. Compliance With Laws and Regulations

The Mortgagor:

- 3.1 shall not use or permit the Charged Property to be used in any way contrary to law,
- 3.2 shall:
 - (a) comply with the requirements of any law and regulation relating to or affecting the Charged Property or the use of it or any part of it,
 - (b) obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Charged Property or its use or that are necessary to preserve, maintain or renew any Charged Property, and
 - (c) promptly effect any maintenance, modifications, alterations or repairs to be effected on or in connection with the Charged Property that are required to be made in respect of it under any law or regulation.

4. Enforcement of Rights

The Mortgagor shall use its best endeavours to:

- 4.1 procure the prompt observance and performance by the relevant counterparty to any agreement or arrangement with the Mortgagor and forming part of the Charged Property of the covenants and other obligations imposed on such counterparty, and

- 4.2 enforce any rights and institute, continue or defend any proceedings relating to any of the Charged Property that the Lender may require from time to time.

5. Notice of Misrepresentations and Breaches

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

- 5.1 any representation or warranty set out in clause 6 which is incorrect or misleading in any material respect when made or deemed to be repeated, and
- 5.2 any breach of a covenant set out in this Deed.

6. Title Documents

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

- 6.1 all deeds and documents of title relating to the Charged Property which are in the possession or control of the Mortgagor, and
- 6.2 each Insurance Policy.

7. Notices to be given by the Mortgagor

The Mortgagor shall immediately on written request by the Lender give notice to the relevant insurers of the assignment of the Mortgagor's rights and interest in and under each Insurance Policy (including the proceeds of any claims under that Insurance Policy) pursuant to clause 3.2 and procure that each addressee of such notice promptly provides an acknowledgement of that notice to the Lender.

Part 2- Property covenants

1. Repair and Maintenance

The Mortgagor shall keep all premises, and fixtures and fittings on the Property in good and substantial repair and condition and shall keep all premises adequately and properly painted and decorated and replace any fixtures and fittings which have become worn out or otherwise unfit for use with others of a like nature and equal value.

2. No Alterations

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

- (a) pull down or remove the whole or any part of any building forming part of the Property nor permit the same to occur, or
- (b) make or permit to be made any material alterations to the Property or sever or remove or permit to be severed or removed any of its fixtures or fittings (except to make any necessary repairs or renew or replace the same in accordance with paragraph 1 of this Part 2 of Schedule 3).

2.2 The Mortgagor shall promptly give notice to the Lender if the premises or fixtures or fittings forming part of the Property are destroyed or damaged.

3. Development Restrictions

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

- 3.1 make or, in so far it is within his control, permit others to make any application for planning permission or development consent in respect of the Property, or
- 3.2 carry out or permit or suffer to be carried out on the Property any development as defined in each of the Town and Country Planning Act 1990 and the Planning Act 2008 or change or permit or suffer to be changed the use of the Property.

4. Insurance

- 4.1 The Mortgagor shall insure and keep insured (or where, in the case of any leasehold property, insurance is the responsibility of the landlord under the terms of the lease, either procure that the landlord insures and keeps insured or, if and to the extent that the landlord does not do so, himself insure and keep insured) the Property against:

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

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

- 4.2 The Mortgagor shall, if requested by the Lender, produce to the Lender the policy, certificate or cover note relating to any such insurance required by paragraph 4.1 of this Part 2 of Schedule 3 (or where, in the case of any leasehold property, such insurance is effected by the landlord, such evidence of insurance as the Mortgagor is entitled to obtain from the landlord under the terms of the relevant lease).
- 4.3 The Mortgagor shall, if requested by the Lender, procure that a note of the Lender's interest is endorsed upon or the Lender is named as co-insured with the Mortgagor on each Insurance Policy maintained by the Mortgagor or any person on The Mortgagor's behalf in accordance with paragraph 4.1 of this Part 2 of Schedule 3 and that the terms of each such Insurance Policy require the insurer not to invalidate the policy as against the Lender by reason of the act or default of any other joint or named insured and not to cancel it without giving at least 30 days' prior written notice to the Lender.

5. Insurance Premiums

The Mortgagor shall:

- 5.1 promptly pay all premiums in respect of each Insurance Policy and do all other things necessary to keep that policy in full force and effect, and

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

6. No Invalidation of Insurance

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

7. Proceeds from Insurance Policies

All monies payable under any Insurance Policy at any time (whether or not the security constituted by this Deed has become enforceable) shall (if paid to the Mortgagor) be held in trust for the Lender and applied in making good or recouping expenditure in respect of the loss or damage for which such monies are received provided that:

- 7.1 where the Property has been so seriously damaged as to be unfit for occupation or use or the means of access and egress to and from the Property rendered substantially unfit for use all such monies shall, if the Lender so directs, be applied in or towards discharge or reduction of the Secured Liabilities.

- 7.2 After the security constituted by this Deed has become enforceable and if the Lender so directs, all such monies shall be applied in or towards discharge or reduction of the Secured Liabilities.

8. Leases and Licences Affecting the Property

The Mortgagor shall not, without the prior written consent of the Lender (which consent, in the case of paragraph 8.4 of this Part 2 of Schedule 3), is not to be unreasonably withheld or delayed in circumstances in which the Mortgagor may not unreasonably withhold or delay its consent):

- 8.1 grant any licence or lease affecting the whole or any part of the Property, or exercise the statutory powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925 (or agree to grant any such licence or lease, or agree to exercise the statutory powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925),
- 8.2 in any other way dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of the Property (or agree to dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of the Property),
- 8.3 let any person into occupation of or share occupation of the whole or any part of the Property, or
- 8.4 grant any consent or licence under any lease or licence affecting the Property.

9. No Restrictive Obligations

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

10. Proprietary Rights

The Mortgagor shall use his best endeavours to ensure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of the Property, without the prior written consent of the Lender.

11. Compliance With and Enforcement of Covenants

The Mortgagor shall:

- 11.1 observe and perform all covenants, stipulations and conditions to which the Property, or the use of it, is or may be subject and (if the Lender so requires) produce to the Lender evidence sufficient to satisfy the Lender that those covenants, stipulations and conditions have been observed and performed, and
- 11.2 diligently enforce all covenants, stipulations and conditions benefiting the Property and shall not (and shall not agree to) waive, release or vary any of the same.

12. Notices or Claims Relating to the Property

12.1 The Mortgagor shall:

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

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

13. Payment of Rent and Outgoings

The Mortgagor shall:

- 13.1 where the Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time, and
- 13.2 pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments and other outgoings relating to or imposed upon the Property or on its occupier.

14. Rent Reviews

The Mortgagor:

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

14.2 shall not, without the prior written consent of the Lender, if the Property is leasehold, agree to any change in the rent payable under the lease in excess of the open market rental value and shall only agree to any upwards rent review in accordance with the terms of the lease.

15. Environment

The Mortgagor shall in respect of the Property:

15.1 comply in all material respects with all the requirements of Environmental Law, and

15.2 obtain and comply in all material respects with all Environmental Licences.

16. Conduct of Business on Property

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

17. Inspection

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

18. VAT Option to Tax

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

18.1 exercise any VAT option to tax in relation to the Property, or

18.2 revoke any VAT option to tax exercised prior to and disclosed to the Lender in writing prior to the date of this Deed.

EXECUTED and DELIVERED as a DEED by the MORTGAGOR
acting by a Director

in the presence of:


Signature

Signature of solicitor witness R.C. dwt

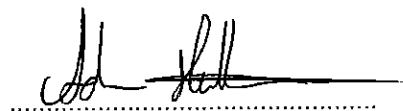
Print name Robin Clifford Moison

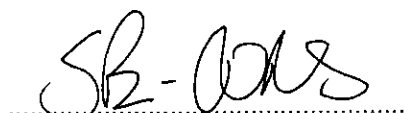
Address 18, Portland Square
Bristol BS2 8ST

Occupation Solicitor

EXECUTED and DELIVERED as a DEED by
AURA FINANCE LIMITED acting by its attorney
STEPHEN HENRY EVANS-JONES pursuant to
a power of attorney

in the presence of:


.....


.....

as attorney for **AURA FINANCE LIMITED**

SIGNATURE OF WITNESS

Witness Name *in block capitals*: Adam Hattersley

Witness Address: **Fieldfisher LLP**
5th Floor
Free Trade Exchange
37 Peter Street
Manchester
M2 5GB

Witness Occupation: Solicitor

