



Registration of a Charge

Company name: **THE PROPERTY BLOCK LTD**

Company number: **11542436**

Received for Electronic Filing: **28/10/2020**



X9GMFCUZ

Details of Charge

Date of creation: **27/10/2020**

Charge code: **1154 2436 0001**

Persons entitled: **ASSURED CORPORATE SERVICES LTD**

Brief description:

Contains floating charge(s) (floating charge covers all the property or undertaking of the company).

Contains negative pledge.

Chargor acting as a bare trustee for the property.

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: **DAN PATTERSON**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 11542436

Charge code: 1154 2436 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 27th October 2020 and created by THE PROPERTY BLOCK LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 28th October 2020 .

Given at Companies House, Cardiff on 29th October 2020

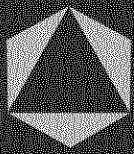
The above information was communicated by electronic means and authenticated
by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Assured
Corporate Services

DATED

27 OCTOBER 2020

SECURITY DEED

relating to the issue by The Property Block Limited of up to
£1,000,000 fixed-interest rate three-year secured convertible loan note securities paying
7.5% annually or 10% deferred to maturity

ASSURED CORPORATE SERVICES LIMITED (1)

(as Trustee)

and

THE PROPERTY BLOCK LIMITED (2)

ASSURED CORPORATE SERVICES LIMITED

The Forum, Tameside Business Park, Denton, Manchester M34 3QS

THIS SECURITY DEED is dated

27 October 2020

PARTIES

- (1) **ASSURED CORPORATE SERVICES LIMITED** a company incorporated and registered in England and Wales with number 07490154 whose registered office is at The Forum, Tameside Business Park, Denton, Manchester M34 3QS (Trustee).
- (2) **THE PROPERTY BLOCK LIMITED** a company incorporated and registered in England and Wales with number 11542436 whose registered office is at Unit 8, Thrales End Lane, Harpenden, AL5 3NS (the "Company").

BACKGROUND

- (A) The Company proposes to issue up to £1,000,000 fixed-interest rate three-year secured loan note securities paying between 7.5 and 10% (the "Loan Notes") pursuant to an information memorandum issued by the Company on or round the date of this Deed, and in accordance with the terms and conditions set-out in the Trust Deed.
- (B) The Company intends to grant security for its obligations in respect of the Loan Notes pursuant to the terms of this Deed.

AGREED TERMS:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed, unless the context otherwise requires:

"**Administrator**" means an administrator for the purposes of Schedule B1 to the Insolvency Act 1986 (as inserted by section 248 of, and Schedule 16 to, the Enterprise Act 2002);

"**Authorisation**" means an authorisation, approval, consent, licence, permit, exemption, registration or filing;

"**Beneficiaries**" means the Trustee, the holders of the Loan Notes and their respective successors and permitted assigns and transferees from time to time and each other person from time to time;

"**Debts**" means all book debts, other debts, receivables and liabilities of any kind whatsoever now or at any time hereafter (and from time to time) due, owing or payable to the Company including without limitation all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person;

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

- (a) the Trustee demands the payment or discharge of all or any part of the Secured Liabilities in accordance with the relevant terms and conditions of the Loan Notes and the Company fails to make payment in accordance with such demand;
- (b) the Company is or becomes unable to pay its debts as they fall due, or the Company commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of, or a composition with, its creditors;
- (c) the Company passes any resolution or takes any corporate action, or a petition is presented or proceedings are commenced, or any step is taken by the Company or any other person for its winding-up, dissolution, administration or re-organisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of it or of any or all of its revenues or assets;
- (d) a distress, execution, attachment or other legal process is levied, or enforced on or sued against, all or any part of the assets of the Company and remains undischarged for 5 Business Days;
- (e) an encumbrancer takes possession of the whole or any part of the revenues or assets of the Company;
- (f) any event occurs in relation to the Company which is analogous to any of those set out in paragraphs (a) to (e) above and whether in England or any other jurisdiction; or
- (g) any event occurs in relation to any Group Company which is materially the same as or analogous to any of those set out in paragraphs (b) to (e) above and whether in England or any other jurisdiction.

“Equipment” means all equipment, plant, machinery, tools, vehicles, furniture and other tangible moveable property now or at any time hereafter (and from time to time) owned by the Company, and any part thereof, together with all spare parts, replacements, modifications and additions thereto;

“Financial Collateral” has the meaning given to that expression in the Financial Collateral Regulations;

“Financial Collateral Regulations” the Financial Collateral Arrangements (No. 2) Regulations 2003 (*SI 2003/3226*);

“Insurance Policies” means the insurance policies referred to in Clause 3.1.3;

“Intellectual Property” means any present or future rights or interests of the Company in respect of any patent, trade mark, service mark, trade name, registered design,

design rights, copyrights, know-how and any other rights in intellectual property whether registered or unregistered and any registration or application for registration including all present and future fees, royalties and other income or rights derived therefrom or incidental thereto and including the benefit of all present and future agreements relating to the use of a licensing or exploitation of any such rights;

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

“Properties” means all freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or in the future (and from time to time) owned by the Company, or in which the Company holds an interest, and Property means any of them.

“Receiver” means a duly qualified receiver or receiver and manager or, where permitted by law, an administrative receiver of the whole or any part of the Charged Assets and that term will include any appointee made under a joint and/or several appointment;

“Reservations” means:

- (a) the principle that equitable remedies are remedies which may be granted or refused at the discretion of the court;
- (b) the limitation of enforcement by laws relating to bankruptcy, insolvency, liquidation, reorganisation, court schemes, moratoria, administration and other laws generally affecting the right of creditors;
- (c) the time barring of claims under laws relating to limitation of actions;
- (d) the possibility that an undertaking to assume liability for or to indemnify a person against non-payment of stamp duty may be void;
- (e) defences of set-off or counter-claim; and
- (f) similar principles and similar matters arising under the laws of any foreign jurisdictions in which the relevant obligations may have to be performed.

“Secured Assets” means all the assets, property and undertaking for the time being subject to the security Interest created by or pursuant to this Deed.

“Secured Liabilities” means all present and future moneys, obligations and liabilities due, owing or incurred from or by the Company to the Beneficiaries in connection with the Loan Notes;

“Securities” means all Loan Notes, shares, loans, loan capital, securities, Loan Notes and investments of any kind whatsoever (whether or not marketable) now or at any time hereafter (and from time to time) owned (at law or in equity) by the Company, together with all allotments offered or arising in respect thereof or incidental thereto;

“Security Financial Collateral Arrangement” has the meaning given to that expression in the Financial Collateral Regulations;

“Security Interest” means a mortgage, charge, 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; and

“Trust Deed” means the deed of trust entered into or to be entered into between the company and the Trustee on or about the date of this Deed.

1.2 Construction

In this Deed, unless the context otherwise requires:

- 1.2.1 each reference to this Deed or any other agreement or instrument is a reference to this Deed or such other agreement or instrument as amended, novated, replaced, restated, supplemented or varied from time to time;
- 1.2.2 each reference to a provision of law is a reference to that provision as amended, replaced or re-enacted from time to time;
- 1.2.3 any grant of rights for full title guarantee shall be deemed to contain all of the covenants and warranties implied in respect of any conveyance with full title guarantee pursuant to section 1(2) of the Law of Property (Miscellaneous Provisions) Act 1994;
- 1.2.4 Clause and Schedule headings are for ease of reference only;
- 1.2.5 words importing the singular shall include the plural and vice versa;
- 1.2.6 words importing one gender will be treated as importing any gender;
- 1.2.7 a reference to any person includes that person's successors and (in the case of the Trustee only) its permitted assignees and transferees;
- 1.2.8 a reference to any person is to be construed to include references to a corporation, firm, company, partnership, joint venture, unincorporated body of persons, individual or any agency of a state, whether or not a separate legal entity;
- 1.2.9 the words “include”, “including”, “in particular” and any similar expression shall not be construed as implying any limitation, and general words introduced by “other”, “otherwise” or any similar expression will not be given a restrictive meaning by reason of the fact that they are preceded or followed by words indicating a particular class, of acts, matters or things;

1.2.10 capitalised terms not otherwise defined in this Deed shall have the meaning given to such terms in the Trust Deed (including its schedules).

1.3 Nature of security over real property

A reference in this Deed to a charge or mortgage of any freehold, leasehold or commonhold property includes all buildings and fixtures (including trade and tenant's fixtures) which are at any time situated on that property and all proceeds of sale, rent and other income receivable by, and all other rights of, the Company from time to time in respect of that property.

1.4 Enterprise Act 2002

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 (as inserted by section 248 of, and Schedule 16 to, the Enterprise Act 2002) applies to the floating charge created by this Deed.

2 COVENANT TO PAY

The Company covenants with the Trustee (for its own account and for the account of the other Beneficiaries) that it will on demand pay and discharge the Secured Liabilities when they become due.

3 GRANT OF SECURITY

3.1 Security

As a continuing security for the payment and discharge of the Secured Liabilities, the Company with full title guarantee hereby:

3.1.1 charges to the Trustee for itself to hold on trust for the Beneficiaries by way of first legal mortgage, all Properties which are currently owned by the Company;

3.1.2 charges to the Trustee for itself to hold on trust for the Beneficiaries by way of first fixed charge:

- (a) all Properties hereafter acquired by the Company;
- (b) the Securities;
- (c) all present and future rights, licences, guarantees, contracts and warranties relating to the business carried on from time to time by the Company;
- (d) all present and future goodwill of the Company and all uncalled capital for the time being of the Company;
- (e) the Equipment;

(f) all Intellectual Property; and

(g) the Debts.

3.1.3 assigns to the Trustee for itself to hold on trust for the Beneficiaries (subject to the right of the Company to redeem such assignment on payment and discharge in full of the Secured Liabilities) all right, title and interest of the Company in and to any present or future contracts, loan agreements, security documents or policies of insurances or assurance (including, without limitation, any insurances relating to the Properties or the Equipment) and all claims and recoveries thereunder; and

3.1.4 charges to the Trustee for itself to hold on trust for the Beneficiaries, by way of first floating charge, all the undertaking, property, assets and rights of the Company at any time not effectively mortgaged or charged by fixed charge or assigned pursuant to Clauses 3.1.1, 3.1.2 and 3.1.3.

3.2 Automatic crystallisation of floating charge

Without prejudice to any law which may have a similar effect, the floating charge created under this Deed will automatically be converted (without notice) with immediate effect into a fixed charge as regards all the assets subject to the floating charge created by clause 3.1.4 upon the occurrence of an Enforcement Event.

3.3 Effect of crystallisation of floating charge

Following any conversion or crystallisation of the floating charge created under this Deed, the Company shall no longer have the right to sell the relevant Charged Assets pursuant to clause 4.2.

3.4 Title Documents

The Company shall on request by the Trustee deposit with the Trustee and the Trustee shall during the continuance of this security be entitled to hold all deeds and documents of title relating to the Charged Assets and all Insurance Policies.

3.5 Qualifying floating charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 3.1.4.

3.6 Liability not discharged

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

3.6.1 any security, guarantee, indemnity, remedy or other right held by or available to the Trustee that is or becomes, wholly or partially illegal, void or unenforceable on any ground; or

- 3.6.2 any other act or omission that, but for this clause 3.6, might have discharged, or otherwise prejudiced or affected, the liability of the Company.

3.7 Immediate recourse

The Company waives any right it may have to require the Trustee to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this deed against the Company.

4 SECURITY INTERESTS AND DISPOSALS

The Company covenants with the Trustee that the Company will not at any time, except with the prior written consent of the Trustee:

- 4.1 create or purport to create or permit to subsist any Security Interest on or in relation to the Charged Assets other than this Deed;
- 4.2 sell, assign, transfer, lease, licence, share occupation or part with possession of or otherwise dispose of all or any part of the Charged Assets or any interest therein, except by way of sale on arm's length terms in the ordinary course of the Company's business and for the purpose of carrying on that business; or
- 4.3 agree to do any of the things referred to in clauses 4.1 or 4.2.

5 REPRESENTATIONS AND WARRANTIES

The Company makes the representations and warranties set out in this Clause 5 to the Trustee.

5.1 Status

- 5.1.1 It is a private limited company, duly incorporated and validly existing under the laws of England and Wales.
- 5.1.2 It has the power to own its assets and carry on its business as it is being conducted.

5.2 Binding Obligations

The obligations expressed to be assumed by it in this Deed are, subject only to the Reservations, legal, valid, binding and enforceable obligations.

5.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, this Deed do not and will not conflict with:

- 5.3.1 any law or regulation or judicial or official order applicable to it;

5.3.2 its constitutional documents; or

5.3.3 any agreement or instrument binding upon it or any of its assets.

5.4 Power and Authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of this Deed and the transactions contemplated by this Deed.

5.5 Authorisations

All Authorisations required or desirable:

5.5.1 to enable it lawfully to enter into, exercise its rights and comply with its obligations under this Deed; and

5.5.2 to make this Deed admissible in evidence in England;

have been obtained or effected (as appropriate) and are in full force and effect.

5.6 Ownership of secured assets

The Company is the sole legal and beneficial owner of the Secured Assets.

6 COVENANTS RELATING TO THE CHARGED ASSETS

6.1 Properties

The Company shall:

6.1.1 keep all buildings on each Property and all fixtures belonging to the Company thereon and therein in good and substantial repair and condition and insured to their full reinstatement value;

6.1.2 not without the prior written consent of the Trustee make any material alterations to any Property or carry out any development thereon;

6.1.3 observe and perform all covenants, stipulations and conditions to which each Property or the user thereof is now or may hereafter be subject;

6.1.4 permit the Trustee and any Receiver and any person appointed by either of them to enter upon and inspect any Property upon reasonable prior notice.

6.2 Equipment:

The Company shall maintain the Equipment in good and serviceable condition (fair wear and tear excepted) and keep it insured against usual business risks for its full reinstatement or replacement value.

6.3 Intellectual Property

The Company shall take all necessary action to safeguard and maintain present and future rights, in or relating to the Intellectual Property including, without limitation, observing all covenants and stipulations relating thereto, applying for registration thereof and paying all applicable renewal fees, licence fees and other outgoings, and taking action against any third parties for the unauthorised use or exploitation thereof.

6.4 Preservation of Charged Assets

The Company shall not do, or permit to be done, any act or thing which will or might reasonably be expected to materially diminish the value of any of the Charged Assets or the effectiveness of the security created by this Deed.

7 POWERS OF THE TRUSTEE

7.1 Power to remedy

If the Company is at any time in breach of any of its obligations contained in this Deed, the Trustee shall be entitled (but shall not be bound) to remedy such breach and the Company hereby irrevocably authorises the Trustee and its agents to do all such things necessary or desirable in connection therewith. Any monies expended by the Trustee in remedying a breach by the Company of its obligations contained in this Deed shall be reimbursed by the Company to the Trustee on a full indemnity basis and shall carry interest in accordance with clause 17. The rights of the Trustee contained in this clause 7 are without prejudice to any other rights of the Trustee hereunder. The exercise by the Trustee of its rights under this clause 7 shall not make the Trustee liable to account as a mortgagee in possession.

7.2 Trustee has Receiver's powers

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

8 ENFORCEMENT

8.1 Enforcement

The security constituted by this Deed shall become enforceable upon and at any time after the occurrence of an Enforcement Event and, without prejudice to any other rights of the Trustee, the powers of sale under the Law of Property Act 1925

shall immediately be exercisable and the Trustee may in its absolute discretion enforce all or any part of the security created by this Deed as it sees fit.

8.2 Statutory power of sale

The statutory power of sale shall, as between the Trustee and a purchaser from the Trustee, arise on and be exercisable at any time after the execution of this Deed, provided that the Trustee shall not exercise such power of sale until the security constituted by this Deed has become enforceable pursuant to Clause 8.1 (*Enforcement*).

8.3 Extension of statutory powers

The statutory powers of sale, leasing and accepting surrenders exercisable by the Trustee under this Deed are extended so as to authorise the Trustee whether in its own name or in that of the Company to grant a lease or leases of the whole or any part or parts of the Properties with whatever rights relating to other parts of it and containing whatever covenants on the part of the Company and generally on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) and whether or not at a premium as the Trustee thinks fit.

8.4 No obligation to enquire

No person dealing with the Trustee or any Administrator or Receiver appointed hereunder, or its agents or brokers, shall be concerned to enquire whether the security constituted by this Deed has become enforceable, or whether any power exercised or purported to be exercised has become exercisable, and such dealing shall be deemed to be within the powers hereby conferred and to be valid and effectual accordingly.

8.5 No liability as mortgagee in possession

None of the Trustee, the Administrator or the Receiver shall be liable to account as mortgagee in possession in respect of all or any of the Charged Assets nor shall any of them be liable for any loss upon realisation of, or for any neglect or default of any nature whatsoever in connection with all or any of the Charged Assets for which a mortgagee in possession might as such be liable.

8.6 Appropriation

8.6.1 To the extent that the Charged Assets constitute Financial Collateral and this Deed and the obligations of the Company hereunder constitute a Security Financial Collateral Arrangement, the Trustee shall have the right, at any time after the security constituted this Deed has become enforceable, to appropriate all or any of the Charged Assets in or towards the payment and/or discharge of the Secured Liabilities in such order as the Trustee in its absolute discretion may from time to time determine.

- 8.6.2 The value of any Charged Assets appropriated in accordance with this Clause 8.6 shall be the price of those Charged Assets at the time the right of appropriation is exercised as listed on any recognised market index, or determined by such other method as the Trustee may select (including independent valuation). The Company agrees that the methods of valuation provided for in this Clause 8.6 are commercially reasonable for the purposes of the Financial Collateral Regulations.

9 ADMINISTRATOR OR RECEIVER

9.1 Appointment of Administrator or Receiver

At any time after the security constituted by this Deed becomes enforceable, or at the request of the Company, the Trustee may without further notice:

- 9.1.1 appoint under seal or by writing under hand of a duly authorised officer of the Trustee any one or more person or persons to be an Administrator or a Receiver of all or any part of the Charged Assets (the expressions Administrator and Receiver shall, where the context so admits, include any person substituted as administrator or receiver or receiver and manager or administrative receiver under the power hereinafter contained); and
- 9.1.2 (subject to Section 45 of the Insolvency Act 1986) from time to time under seal or by writing under hand of a duly authorised officer of the Trustee remove any person appointed to be Administrator or Receiver and may in like manner appoint another in his place.

9.2 More than one appointment

Where more than one person is appointed Administrator or Receiver, they will have power to act separately (unless the appointment by the Trustee specifies to the contrary).

9.3 Additional powers

- 9.3.1 The powers of sale and appointing an Administrator or a Receiver conferred by this Deed shall be in addition to all statutory and other powers of the Trustee under the Insolvency Act 1986 and the Law of Property Act 1925 or otherwise and shall be exercisable without the restrictions contained in Sections 103 and 109 of the Law of Property Act 1925 or otherwise; and
- 9.3.2 The power to appoint an Administrator or a Receiver (whether conferred by this Deed or by statute) shall be and remain exercisable by the Trustee notwithstanding any prior appointment in respect of all or any part of the Charged Assets.

9.4 Receiver as agent of the Company

Any Receiver appointed by the Trustee under this Deed shall be the agent of the Company and the Company shall be solely responsible for his acts and remuneration as well as for any defaults committed by him.

10 POWERS OF RECEIVER

10.1 Any Receiver appointed by the Trustee under this Deed shall in addition to the powers conferred on him by the Law of Property Act 1925 and the Insolvency Act 1986 have power to do all such acts and things as an absolute owner could do in the management of such of the Charged Assets over which such Receiver is appointed, and in particular (but without limitation):

- 10.1.1 to take possession of and generally manage the Charged Assets and any business of the Company;
- 10.1.2 to carry out on any Property any new works or complete any unfinished works of building reconstruction maintenance furnishing or equipment;
- 10.1.3 to purchase or acquire any land or other property and purchase acquire grant or release any interest in or right over land or the benefit of any covenants (positive or restrictive) affecting land;
- 10.1.4 to sell lease surrender or accept surrenders of leases charge or otherwise deal with or dispose of the Properties without restriction including (without limitation) power to dispose of any fixtures separately from the land;
- 10.1.5 to carry into effect and complete any transaction by executing deeds or documents in the name of or on behalf of the Company;
- 10.1.6 to take continue or defend any proceedings and enter into any arrangement or compromise;
- 10.1.7 to insure the Charged Assets and any works and effect indemnity insurance or other similar insurance and obtain Loan Notes and give indemnities and security to any Loan Notesmen;
- 10.1.8 to call up any uncalled capital of the Company with all the powers conferred by the Articles of Association of the Company in relation to calls;
- 10.1.9 to employ advisers consultants managers agents workmen and others;
- 10.1.10 to purchase or acquire materials tools equipment goods or supplies;
- 10.1.11 to borrow any money and secure the payment of any money in priority to the Secured Liabilities for the purpose of the exercise of any of his powers; and

- 10.1.12 to do any other acts which the Receiver may consider to be incidental or conducive to any of his powers or to the realisation of the Charged Assets.

10.2 Delegation

The Trustee or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this Deed (including the power of attorney granted under clause 13), and on the terms and conditions (including the power to sub-delegate) that it thinks fit. Neither the Trustee nor any Receiver shall be in any way liable or responsible to the Company for any loss or liability arising from any act, default, omission or misconduct on the part of any person appointed as their delegate under this clause 10.2.

11 APPLICATION OF PROCEEDS

11.1 Order of application

The Receiver shall apply all monies received by him:

- 11.1.1 first in ensuring compliance by the Company with Clauses 12 and 17 (if and to the extent that the same had not been previously complied with);
- 11.1.2 secondly in paying all rents, taxes, rates and outgoings whatever affecting any Charged Assets;
- 11.1.3 thirdly in paying his remuneration (as agreed between him and the Trustee);
- 11.1.4 fourthly in paying all costs, charges and expenses of and incidental to his appointment and the exercise of his powers and all outgoings paid by him;
- 11.1.5 fifthly in or towards discharge of the Secured Liabilities in such order and manner as the Trustee shall determine; and
- 11.1.6 finally in paying any surplus to the Company or any other person entitled to it.

11.2 Section 109(8) Law of Property Act 1925

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

12 INDEMNITY

The Company agrees to indemnify and hold harmless the Trustee and any Receiver in full and on demand from and against all actions, claims, expenses, demands and liabilities whether arising out of contract or in tort or in any other way incurred or which may at any time be incurred by him or by any manager, agent, officer, servant or workman for whose debt, default or miscarriage he may be answerable for anything done or omitted to be done in the exercise or purported exercise of his powers under the provisions of this Deed or pursuant hereto (excluding in relation to any act or omission by the Trustee, any Receiver, any manager, agent, officer, servant or workman which is negligent or fraudulent).

13 POWER OF ATTORNEY

13.1 Power of attorney

The Company hereby irrevocably appoints the Trustee and (jointly and severally) each and every Receiver appointed by the Trustee under the provisions of this Deed to be the attorney of the Company and in the name and on behalf of the Company and as the Company's act and deed or otherwise to sign, execute, seal, deliver, complete any blanks in and otherwise perfect any deed, transfer, assurance, agreement, instrument or act which such Receiver or the Trustee may consider expedient in the exercise of any of his or its powers or in respect of the Company's obligations under this Deed. The power of attorney hereby granted is to secure the performance of obligations owed to the donees within the meaning of the Powers of Attorney Act 1971.

13.2 Confirmation

The Company covenants with the Trustee and with any Receiver that if required to do so it shall ratify and confirm:

- 13.2.1 all transactions entered into by the Trustee and/or any Receiver in the proper exercise of its or their powers in accordance with this Deed; and
- 13.2.2 all transactions entered into by the Trustee and/or any Receiver in signing, sealing, delivering and otherwise perfecting any assignment, mortgage, charge, security, document or other act.

14 INDEPENDENT AND CONTINUING SECURITY

14.1 Independent security

This Deed shall be in addition to and independent of every other security or guarantee which the Trustee may at any time hold for any of the Secured Liabilities and it is hereby declared that no prior security held by the Trustee over the whole or any part of the Charged Assets shall merge in the security created by this Deed.

14.2 Continuing security

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

14.3 Discharge conditional

Any release, discharge or settlement between the Company and the Trustee shall be deemed conditional upon no payment or security received by the Trustee in respect of the Secured Liabilities being avoided or reduced or ordered to be refunded pursuant to any provision of any enactment relating to insolvency, bankruptcy, winding-up, administration or receivership and, notwithstanding any such release, discharge or settlement:

14.3.1 the Trustee or its nominee shall be at liberty to retain this Deed and the security created by or pursuant to this Deed, including all certificates and documents relating to the Charged Assets or any part thereof, for such period as the Trustee shall deem necessary to provide the Trustee with security against any such avoidance or reduction or order for refund; and

14.3.2 the Trustee shall be entitled to recover the value or amount of such security or payment from the Company subsequently as if such settlement, discharge or release had not occurred and the Company agrees with the Trustee accordingly and charges the Charged Assets and the proceeds of sale thereof with any liability under this Clause 14.

15 FURTHER ASSURANCE

As and when required by the Trustee the Company, at its own cost, shall execute such further legal or other mortgages, charges or transfers in favour of the Trustee as the Trustee shall from time to time require over all or any part of the Charged Assets, further to secure the payment of the Secured Liabilities, such further mortgages, charges or transfers to be prepared at the cost of the Company and to contain a power of sale and such other clauses for the benefit of the Trustee as the Trustee may reasonably require.

16 INDULGENCE

The Trustee may in its discretion grant time or other indulgence or make any other arrangement, variation or release with any person or persons not party hereto (whether or not such person or persons are jointly liable with the Company) in respect of any of the Secured Liabilities or of any other security therefore without prejudice either to this Deed or to the liability of the Company for the Secured Liabilities.

17 COSTS

17.1 The Company shall pay or reimburse to the Trustee and any Receiver on demand, on a full indemnity basis, all costs, charges and expenses (including legal fees) in any way incurred by the Trustee and/or the Receiver in relation to this Deed or the Charged Assets or in protecting, perfecting, preserving or enforcing (or attempting to do so) any of the rights, powers, authorities or discretions vested in them under this Deed or in suing for or recovering any of the Secured Liabilities (including, without limitation, the costs of any proceedings in relation to this Deed or the Secured Liabilities), together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost or expense arose until full discharge of that cost or expense (whether before or after judgment, liquidation, winding up or administration of the Company) at the rate and in the manner specified in the Trust Deed.

17.2 The Company acknowledges that the legal fees referred to in clause 17.1 may include third party legal fees as well as fees which reflect the time spent by members, employees and consultants of the Trustee. In providing advice to the Trustee those members, employees and consultants shall be entitled to charge the Company at their standard hourly rate.

18 DEMANDS AND NOTICE

Any demand for payment and any other demand, notice, consent or communication made or given on or to the Company under or in connection with this Deed may be left at the registered office or sent there by first class post. Any such demand shall be validly made whether or not it contains an accurate statement of the amount of the Secured Liabilities. In proving service of a document it shall be sufficient to prove that it was left at the relevant location or that it was properly addressed, stamped and posted. Any demand or notice shall be deemed given, if left at the relevant address when so left and if sent by post, when it would be delivered in the normal course of post.

19 RIGHTS CUMULATIVE

The rights and powers which this Deed confers on the Trustee are cumulative, may be exercised as often as the Trustee considers appropriate, and are in addition to its rights and powers under the general law. The rights of the Trustee (whether arising under this Deed or under the general law) shall not be capable of being waived or varied otherwise than by an express waiver or variation in writing; and, in particular, any failure to exercise or any delay in exercising any such right shall not operate as a variation or waiver of that or any other such right; any defective or partial exercise of any such right shall not preclude any other or further exercise of that or any other such right; and no act or course of conduct or negotiation on its part or on its behalf shall in any way preclude the Trustee from exercising any such right or constitute a suspension or variation of any such right.

20 CONSOLIDATION

The restriction on the right of consolidating mortgages contained in section 93 of the Law of Property Act 1925 shall not apply to this Deed.

21 PARTIAL INVALIDITY

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

22 TRANSFERS

22.1 Transfer by the Trustee

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

22.2 Transfer by the Company

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

22.3 Disclosure of Information

The Trustee may disclose to any person related to the Trustee and/or any person to whom it is proposing to assign, transfer or declare a trust in respect of the whole or any part of its rights and obligations under or in respect of this Deed or has already done so, any information about the Company

23 THIRD PARTY RIGHTS

Save as permitted in this Deed, a person who is not a Party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed. This Clause 23 does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

24 COUNTERPARTS

This Deed may be executed in any number of counterparts, each of which, when executed and delivered, shall be an original, and all the counterparts together shall constitute one and the same instrument.

25 GOVERNING LAW AND JURISDICTION

26.1 This agreement 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.

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

26 SET-OFF

All payments made by the Company to the Trustee under this Deed shall be made in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

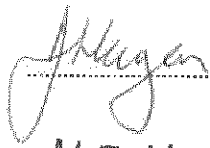
In witness of which this Deed has been entered into and has been caused to be delivered on the date first stated.

EXECUTION PAGE

EXECUTED (but not delivered until the date hereof) and delivered as a DEED by The Property Block Ltd acting by a director in the presence of a witness

Director

Signature:




Name (in block capitals)

ALEXANDER HAGAN

Witness

Signature:



Name (in block capitals)

ALEX MILLER

EXECUTED (but not delivered until the date hereof) and delivered as a DEED by ASSURED CORPORATE SERVICES LIMITED acting by a director in the presence of a witness

Director

Signature:

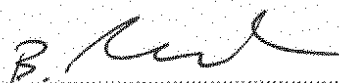


Name (in block capitals)

DANIEL PATERSON

Witness

Signature:



Name (in block capitals)

BEN MARSLAND