



Registration of a Charge

Company Name: **MILFORD PROPERTY HOLDINGS LIMITED**

Company Number: **13539612**



Received for filing in Electronic Format on the: **20/12/2021**

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Details of Charge

Date of creation: **16/12/2021**

Charge code: **1353 9612 0001**

Persons entitled: **ARBUTHNOT SPECIALIST FINANCE LIMITED**

Brief description: **5 CRESSWELL TERRACE, SUNDERLAND TITLE NUMBER: TY56191 FOR MORE DETAILS PLEASE REFER TO THE INSTRUMENT.**

Contains fixed charge(s).

Contains floating 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: 13539612

Charge code: 1353 9612 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 16th December 2021 and created by MILFORD PROPERTY HOLDINGS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 20th December 2021 .

Given at Companies House, Cardiff on 21st December 2021

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: 16 December 2021

Milford Property Holdings Limited

as Borrower

Arbuthnot Specialist Finance Limited

as Lender

Debenture

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THIS DEED is made the 16 day of December 2021

BETWEEN:

- (1) **Milford Property Holdings Limited**, a company registered in England and Wales with number 13539612 whose registered office is at The Old Coach House, Horse Fair, Rugeley, England, WS15 2EL. (the "**Borrower**"); and
- (2) **ARBUTHNOT SPECIALIST FINANCE LIMITED**, a company registered in England and Wales with registration number 11103603 whose registered office is at Arbuthnot House, 7 Wilson Street, London EC2M 2SN (the "**Lender**").

Background

- (A) Under this Deed the Borrower provides security to the Lender for all its present and future obligations to the Lender.
- (B) The Borrower is the owner of the Property.

Agreed Terms

1. Definitions and Interpretation

1.1 Definitions

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

"Administrator" means an administrator appointed to manage the affairs, business and property of the Borrower pursuant to paragraph 16 of Schedule 5;

"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;

"Charged Property" means all or any of the assets, property and undertaking of the Borrower which are subject to the security created or to be created by this Deed (and references to the Charged Property 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;

"Dividends" means all dividends, interest, coupons and other distributions paid or payable in respect of any Investment;

"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, by-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far 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;

"Equipment" means all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property from time to time owned by the Borrower, including any part of it and all spare parts, replacements, modifications and additions;

"Event of Default" means each and every such event as so defined in any of the Finance Documents;

"Finance Documents" means:

- (a) any Offer Letter(s), security document or other agreement between the Lender and the Borrower (and whether alone or together with any other person or persons) for the provision of loan facilities and any variation, amendment or extension thereof or supplement thereto from time to time in force; 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 Borrower has agreed, or does in future agree, in writing that the Borrower's liabilities and obligations to the Lender are to be secured upon the Charged Property;

"Financial Collateral" shall have the meaning given to that expression in the Financial Collateral Regulations;

"Financial Collateral Regulations" means the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003/3226);

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

"Insurance Policy" each contract or policy of insurance effected or maintained from time to time in respect of the relating to the whole or any part of the Charged Property;

"Intellectual Property" means (i) any intellectual property rights and interests (which may now or in the future subsist), in each case whether registered or unregistered, and all rights or forms of protection having equivalent or similar effect anywhere in the world, and (ii) the benefit of all applications for, and all rights to use, any of those things (which may now or in the future subsist), and "registered" includes registrations and applications for registration;

"Investments" means in relation to the Borrower:

- (a) any stock, share, debenture, loan stock, security, bond, warrant, coupon, interest in any investment fund and any other investment (whether or not marketable) whether held directly by or to the order of the Borrower or by any trustee, nominee, fiduciary, investment manager or depository or clearance system on its behalf;
- (b) all allotments, accretions, offers, options, rights, bonuses, benefits and advantages, whether by way of conversion, redemption, preference, option or otherwise which at any

time accrue to or are offered or arise in respect of any such investments mentioned in paragraph (a) above; and

- (c) all rights the Borrower has against any trustee, nominee, fiduciary, investment manager, depository or clearance system in respect of any such investments mentioned in paragraphs (a) or (b) above;

"Lender's Group" means Arbuthnot Latham & Co., Limited (company number 00819519) and its Subsidiaries for the time being;

"Lender's Group Member" means each member of the Lender's Group;

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

"Offer Letter" means any facility letter(s) or other agreement between the Lender and the Borrower (and whether alone or together with any other person or persons) for the provision of loan facilities and any variation, amendment or extension thereof or supplement thereto from time to time in force;

"Permitted Development" means any development or refurbishment of the Property which is to be funded by the Lender under the Offer Letter;

"Permitted Encumbrance" means any Encumbrance to which the Lender has given its written consent;

"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 Borrower or in which the Borrower holds an interest (including (but not limited to) the properties which are briefly described in Schedule 1 and Property means any of them;

"Receivables" means book and other debts and rights to money and income liquidated and unliquidated due or owing to the Borrower including the benefit of all negotiable instruments, securities, guarantees and indemnities for such debts and rights but excluding cash at bank;

"Receiver" means a receiver or receiver and manager of any or all of the Charged Property appointed under paragraph 7 of Schedule 5;

"Rental Income" means all rents, licence fees and other moneys receivable now or after the date of this Deed by the Borrower under or arising out of any lease or licence of the Properties or otherwise derived by the Borrower from or in respect of the Properties forming part of the Charged Property;

"Secured Liabilities" means all present and future obligations and liabilities of the Borrower to the Lender, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity and whether or not the Lender was an original party to the relevant transaction and in whatever name or style, including without limitation all legal and other costs, charges and expenses incurred by the Lender in relation to the enforcement of this Deed, together with all interest accruing in respect of those obligations or liabilities;

"Security Financial Collateral Arrangement" shall have the meaning given to that expression in the Financial Collateral Regulations;

"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;

"Subsidiary" means a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006;

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

"VAT" means value added tax.

1.2 Interpretation

Unless the context otherwise requires, in this Deed:

- 1.2.1 any reference to a statute or statutory provision includes a reference to any subordinate legislation made under that statute or statutory provision, to any modification, re-enactment or extension of that statute or statutory provision and to any former statute or statutory provision which it consolidated or re-enacted before the date of this Deed;
- 1.2.2 a reference to one gender includes a reference to the other genders;
- 1.2.3 words in the singular include the plural and in the plural include the singular;
- 1.2.4 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;
- 1.2.5 the reference to "**continuing**" in relation to an Event of Default means an Event of Default which has not been remedied or waived;
- 1.2.6 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 in force from time to time and as amended in accordance with its terms or with the agreement of the relevant parties;
- 1.2.7 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;
- 1.2.8 a reference to an "**amendment**" includes a supplement, variation, novation or re-enactment (and amended shall be construed accordingly);
- 1.2.9 a reference to "**assets**" includes present and future properties, undertakings, revenues, rights and benefits of every description;
- 1.2.10 a reference to an "**authorisation**" includes an authorisation, consent, licence, approval, resolution, exemption, filing, registration and notarisation;
- 1.2.11 a reference to a "**lease**" includes a reference to a tenancy;
- 1.2.12 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;
- 1.2.13 a reference to the "**Borrower**" or the "**Lender**" shall include its successors, permitted transferees and permitted assigns;
- 1.2.14 where the Borrower comprises more than one person the liabilities and obligations under this Deed of the persons comprising the Borrower shall be joint and several;

1.2.15 where there is any conflict between the terms of this Deed and the Finance Documents, the terms of the Finance Documents shall prevail; and

1.2.16 clause, Schedule and paragraph headings shall not affect the interpretation of this Deed.

1.3 Clawback

If the Lender considers that an amount paid by the Borrower in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation, administration or insolvency of the Borrower or otherwise, 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 any Properties includes:

1.4.1 all buildings and fixtures (including trade and tenant's fixtures and fittings) that are at any time situated on that Property;

1.4.2 the proceeds of sale of any part of that Property any other monies paid or payable in respect of those covenants;

1.4.3 the benefit of any covenants for title given, or entered into, by any predecessor in title of the Borrower in respect of that Property and any monies paid or payable in respect of those covenants; and

1.4.4 all rights under any licence, agreement for sale or agreement for lease in respect of that 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 Finance Documents and of any side letters between any parties in relation to the Finance Documents are incorporated into this Deed.

1.6 Insolvency Act 1986

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.

1.7 Third party rights

A third party (being any person other than the Borrower, the Lender and the Lender's 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.

1.8 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).

1.9 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

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

3. Grant of Security

3.1 Charging clause

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

3.1.1 by way of first legal mortgage, all the Properties specified in Schedule 1;

3.1.2 by way of first fixed charge:

- (a) all its rights in each Insurance Policy, including the proceeds of any claims under each Insurance Policy to the extent not effectively assigned under clause 3.2;
- (b) the benefit of all other contracts, guarantees, appointments and warranties relating to the Charged Property and other documents to which the Borrower is a party or which are in its favour or of which it 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 its benefit 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 its benefit arising from any of them);
- (c) all authorisations (statutory or otherwise) held or required in connection with the Borrower's business or the use of any Charged Property, and all rights in connection with them;
- (d) all Properties acquired by the Borrower in the future;
- (e) all present and future interests of the Borrower not effectively mortgaged or charged under the preceding provisions of this clause 3 in or over freehold or leasehold property;
- (f) all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to each Property;
- (g) all licences, consents and authorisations, statutory or otherwise held or required in connection with the Borrower's business or the use of any Charged Property and all rights in connection with them;
- (h) all present and future goodwill and uncalled capital for from time to time of the Borrower;
- (i) all its rights, title or interests in Investments and Dividends;
- (j) all its rights, title or interest in Receivables;
- (k) all its rights, title or interest in Intellectual Property; and
- (l) all Equipment.

- 3.1.3 by way of first floating charge, all the undertaking, property, assets and rights of the Borrower at any time not effectively mortgaged, charged or assigned pursuant to clause 3.1.1, 3.1.2(a)-3.1.2(l) and 3.2.

3.2 Assignment

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee assigns absolutely to the Lender, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities all of the Borrower's rights in:

- 3.2.1 each Insurance Policy, including the proceeds of any claims under each Insurance Policy provided that nothing in this clause 3.2.1 shall constitute the Lender as mortgagee in possession;
- 3.2.2 the Rental Income and the benefit of all rights and claims of the Borrower now or at any time against tenants or occupiers of any Property or their guarantors;
- 3.2.3 the benefit of all rights and claims of the Borrower now or at any time against managing agents, professional advisors, suppliers or contractors in relation to the Property;
- 3.2.4 the benefit of all guarantees, insurances or compensation monies now or at any time relating to any of the Charged Property;
- 3.2.5 the benefit of any agreements or arrangements now or at any time entered into with any person for the purpose of or in connection with the fixing, capping or hedging of the rate of interest payable by the Borrower in respect of any borrowing from or indebtedness to the Lender and any right or option to enter into any such agreement or arrangement;
- 3.2.6 any share or membership rights in a residents' association or management company relating to the Property;
- 3.2.7 any other benefits or rights of any kind now or at any time relating to the Property, its use, construction or title;
- 3.2.8 all rights under any licence, building contracts, contracts, agreement for sale or agreement for lease or other use of its Properties or any Rental Income (in each case present or future);
- 3.2.9 the proceeds of sale of any of its Properties; and
- 3.2.10 any other moneys paid or payable in respect of its Properties.

3.3 Automatic conversion of floating charge

The floating charge created by clause 3.1.3 shall automatically and immediately (without notice) be converted into a fixed charge over the relevant Charged Property if:

- 3.3.1 the Borrower:
- (a) creates, or attempts to create, over all or any part of the Charged Property an Encumbrance without the prior written consent of the Lender or any trust in favour of another person; or
 - (b) disposes or attempts to dispose of all or any part of the Charged Property (other than property subject only to the floating charge while it remains uncrystallised which property may be disposed of in the ordinary course of business),

- 3.3.2 a receiver is appointed over all or any of the Charged Property that is subject to the floating charge; or
- 3.3.3 any person levies or attempts to levy any distress, attachment, execution or other process against all or any part of the Charged Property; or
- 3.3.4 the Lender receives notice of the appointment of, or a proposal or an intention to appoint, an administrator of the Borrower.

3.4 Conversion of floating charge by notice

The Lender may in its sole discretion at any time by written notice to the Borrower convert the floating charge created under this Deed into a fixed charge as regards any part of the Charged Property specified by the Lender in that notice.

3.5 Assets acquired after any floating charge crystallisation

Any asset acquired by the Borrower after any crystallisation of the floating charge created under this Deed which but for such crystallisation would be subject to a floating charge under this Deed shall (unless the Lender otherwise confirms in writing to the contrary to the Borrower) be charged to the Lender by way of first fixed charge.

3.6 Two or more borrowers

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

3.7 Interests less than the whole

If the Borrower'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 charge over such interest, whether legal or equitable or partly legal and partly equitable, as the Borrower has in the Charged Property or any part of the Charged Property.

3.8 Registration of the legal mortgage at the Land Registry

3.8.1 The Borrower consents to the making of and/or agrees that it shall apply (as the case may be) for an application to the Land Registry:

- (a) to enter a restriction in the following terms to be entered on the register or registers of title relating to any of its Properties now or after the date of this Deed registered at the Land Registry and against which this Deed may be noted:

"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 [16/12/2021] in favour of Arbuthnot Specialist Finance Limited referred to in the charges register."

- (b) to enter any obligation to make further advances on the relevant register of title.

3.8.2 The Borrower certifies to HM Land Registry that this security does not contravene any of the provisions of its memorandum or articles of association or other constitutive documents.

3.9 Further advances

The security hereby constituted is made to secure further advances. The Lender covenants with the Borrower that the Lender shall perform its obligations to make an advance or advances under the Finance Documents (including any obligation to make available further advances).

3.10 First registration

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

3.11 Cautions against first registration and notices

Whether or not title to the Properties is registered at the Land Registry, if any caution against first registration or any notice (whether agreed or unilateral) is registered against the Borrower's title to the Properties, the Borrower 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 Borrower 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.

4. Liability of Borrower- liability not discharged

4.1 Liability not discharged

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

- 4.1.1 any security, guarantee, indemnity, remedy or other right held by or available to the Lender that is or becomes wholly or partially illegal, void or unenforceable on any ground; or
- 4.1.2 the Lender renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement or omitting to claim or enforce payment from any other person; or
- 4.1.3 any other act or omission which but for this Clause 4.1 might have discharged or otherwise prejudiced or affected the liability of the Borrower.

4.2 Immediate recourse

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

5. Representations and Warranties

The Borrower represents and warrants to the Lender in the terms set out in Schedule 2. The representations and warranties set out in Schedule 2 are made by the Borrower on the date of this Deed and shall be deemed to be repeated by the Borrower on each day of the Security Period with reference to the facts and circumstances then existing.

6. Covenants

The Borrower covenants with the Lender during the continuance of the security constituted by this Deed in the terms set out in Schedule 3.

7. Powers of the Lender

The Lender shall have the powers set out in Schedule 4.

8. Enforcement

8.1 Enforcement events

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. The security constituted by this Deed shall be immediately enforceable if any of the events set out in Schedule 5 occurs. The parties to this Deed agree that the provisions of Schedule 5 shall apply to this Deed and shall be binding between them.

8.2 Receiver's powers

A Receiver shall have, in addition to the powers conferred on receivers by statute, the further powers set out in Schedule 6.

8.3 Right of appropriation

To the extent that the Charged Property constitutes Financial Collateral and this Deed and the obligations of the Borrower hereunder constitute a Security Financial Collateral Arrangement, the Lender shall have the right, at any time after the security constituted by this Deed has become enforceable, to appropriate all or any of that Charged Property in or towards the payment and/or discharge of the Secured Liabilities in such order as the Lender in its absolute discretion may from time to time determine. The value of any Charged Property appropriated in accordance with this clause shall be the price of that Charged Property at the time the right of appropriation is exercised as listed on any recognised market index, or determined by such other method as the Lender may select (including independent valuation). The Borrower agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations.

9. Costs and Indemnity

9.1 Costs

All costs, charges and expenses incurred by the Lender and/ or the Receiver in relation to this Deed including but without limiting the foregoing the amount of all costs charges and expenses (including legal and out-of-pocket expenses and any Value Added Tax on such costs and expenses) which the Lender and/or any Receiver incurs in connection with:

- 9.1.1 any actual or proposed amendment of or waiver or consent under or in connection with this Deed;
- 9.1.2 any discharge or release of the Lender's security;
- 9.1.3 the preservation or exercise (or attempted preservation or exercise) of any of the Lender's or Receiver's rights under or in connection with, and the enforcement (or attempted enforcement) of, this Deed and any related document;

- 9.1.4 taking proceedings for, or recovering, any of the Secured Liabilities;
- 9.1.5 dealing with or obtaining advice about any other matter or question arising out of or in connection with this Deed, the Finance Documents, the Charged Property and any related document; and
- 9.1.6 this Deed, the Charged Property or any Finance Document,

shall be reimbursed by the Borrower to the Lender on demand (including all incidental costs, expenses, legal and other professional fees and VAT thereon if applicable) and until so reimbursed shall carry interest as provided for in the Finance Documents from the date of payment to the date of reimbursement and be secured on the Charged Property.

9.2 Indemnity

The Lender and every Receiver, attorney or other person appointed by the Lender under this Deed and their respective employees shall be entitled to be indemnified on a full indemnity basis out of the Property in respect of all liabilities and expenses incurred by any of them in or directly or indirectly as a result of the exercise or purported exercise of any of the powers, authorities or discretions vested in them under this Deed and against all actions, proceedings, losses, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to the Charged Property and the Lender and any such Receiver attorney or other person as aforesaid may retain and pay all sums in respect of the same out of the monies received under the powers conferred by this Deed.

10. Release

Subject to clause 12.3, upon the expiry of the Security Period (but not otherwise) the Lender shall, at the request and cost of the Borrower, take whatever action is necessary to release the Charged Property from the security constituted by this Deed.

11. Assignment and Transfer

11.1 Assignment by Lender

- 11.1.1 At any time, without the consent of the Borrower, 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 Borrower's rights under any Finance Documents and/or this Deed to be reduced materially or cause the Borrower's obligations under the Finance Documents and this Deed to be increased materially.

- 11.1.2 The Lender may disclose to any actual or proposed assignee or transferee such information about the Borrower, the Charged Property and this Deed as the Lender considers appropriate.

11.2 Assignment by Borrower

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

12. Further Provisions

12.1 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.

12.2 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 Secured Liabilities have been fully and irrevocably discharged.

12.3 Discharge conditional

Any release, discharge or settlement between the Borrower 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, winding-up, administration, receivership or otherwise and, notwithstanding any such release, discharge or settlement:

12.3.1 the Lender 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 whole or any part of the Charged Property, for such period as the Lender shall deem necessary to provide the Lender with security against any such avoidance, reduction or order for refund, and

12.3.2 the Lender shall be entitled to recover the value or amount of such security or payment from the Borrower subsequently as if such release, discharge or settlement had not occurred.

12.4 Certificates

A certificate or determination by the Lender as to any amount from time to time due to it from the Borrower shall (in the absence of any manifest error) be conclusive evidence of the amount due.

12.5 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.

12.6 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 was given and shall not prevent the Lender from subsequently relying on the relevant provision.

12.7 Further exercise of rights

No act or course of conduct or negotiation by or on behalf of the Lender shall in any way preclude the Lender from exercising any right or power under this Deed or constitute a suspension or variation of any such right or power.

12.8 Delay

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

12.9 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 such right.

12.10 Consolidation

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

12.11 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 modification necessary to give effect to the commercial intention of the parties.

12.12 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.

12.13 Third party rights

A third party 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.

12.14 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).

13. Notices

13.1 Service

Each notice or other communication given under or in connection with this Deed shall:

13.1.1 be in writing, delivered personally or sent by pre-paid first-class letter or email; and

13.1.2 sent to the address set out at the beginning of this Deed or to any substitute address or email address as may be notified in writing from time to time by the relevant party to the other party.

13.2 Receipt

Receipt of any notice, given under clause 13.1 above, shall be deemed to be received:

13.2.1 if sent by email, when transmitted;

13.2.2 if given by hand, at the time of actual delivery, and

13.2.3 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 13.1 or clause 13.2 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.

14. Governing Law and Jurisdiction

14.1 Governing law

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.

14.2 Jurisdiction

14.2.1 The parties to this Deed irrevocably agree that, subject as provided below, 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).

14.2.2 Nothing in this clause shall limit the right of the Lender to take proceedings against the Borrower 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.

14.3 Other service

The Borrower irrevocably consents to any process in any proceedings 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.

EXECUTED as a deed and delivered by the Borrower and signed on behalf of the Lender on the date stated at the beginning of this document.

Schedule 1

Property

5 Cresswell Terrace, Sunderland

Title number: TY56191

Schedule 2

Representations and warranties

1. Ownership of Charged Property

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

2. No Encumbrances

So far as the Borrower 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.

3. No Adverse Claims

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

4. No Adverse Covenants

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

5. No Breach of Laws

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

6. No Interference in Enjoyment

So far as the Borrower 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.

7. No Overriding Interests

So far as the Borrower 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.

8. No Prohibitions or Breaches

So far as the Borrower is or should, acting reasonably, be aware, there is no prohibition on the Borrower assigning its rights in any of the Charged Property referred to in clause 3.2. The entry into of this Deed by the Borrower does not and will not constitute a breach of any policy, agreement, instrument or obligation binding on the Borrower.

9. Environmental compliance

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

10. Information for Valuations and Certificates of Title

10.1 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.

10.2 The information referred to in 10.1 above 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.

10.3 Nothing has occurred between the date or dates when the information referred to in clause 10.1 above was supplied and the date of this Deed which would adversely affect such Valuation or Certificate of Title.

11. Enforceable security

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

12. Avoidance of Security

So far as the Borrower 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 winding -up, administration or insolvency of the Borrower or otherwise.

13. Status

The Borrower is a private limited liability company, duly incorporated and validly existing under the laws of its jurisdiction of incorporation and has power to carry on its business as it is now being conducted and to own property and other assets.

14. Power and authority

The execution, delivery and performance of this Deed is within its corporate powers, has been duly authorised and does not conflict with (i) any law or regulation applicable to it or (ii) its constitutive documents. This Deed does not contravene the Borrower's memorandum and articles of association or other constitutive documents of the Borrower.

Schedule 3

Covenants

Part 1

– General covenants

1. Negative Pledge and Disposal Restrictions

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

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

3. Compliance with Laws and Regulations

- 3.1 The Borrower shall not use or permit the Charged Property to be used in any way contrary to law.
- 3.2 The Borrower shall:
 - 3.2.1 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;
 - 3.2.2 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
 - 3.2.3 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 Borrower shall use the Borrower's best endeavours to:

- 4.1 procure the prompt observance and performance by the relevant counterparty to any agreement or arrangement with the Borrower and forming part of the Charged Property of the covenants and other obligations imposed on such counterparty; and
- 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 Borrower 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 Schedule 2 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 Borrower 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 Borrower; and
- 6.2 each Insurance Policy.

7. Notices to be Given by the Borrower

The Borrower shall immediately on written request by the Lender:

- 7.1 give notice to the relevant insurers of the assignment of the Borrower's rights and interest in and under each Insurance Policy (including the proceeds of any claims under that Insurance Policy) pursuant to clause 3.2 and use reasonable endeavours to procure that each addressee of such notice promptly provides an acknowledgement of that notice to the Lender.
- 7.2 give written notice to its tenants and other occupiers of the Property to pay all Rental Income directly to the Lender. Upon such demand, the Borrower shall hold any Rental Income received by it upon trust for the Lender until payment to the Lender.

Part 2

– Property covenants

1. Repair and Maintenance

Save to the extent required to comply with the requirements of any Permitted Development, the Borrower shall keep all premises, and fixtures and fittings on the Property in good and substantial repair and condition and shall keep all premises adequately and properly painted and decorated and replace any fixtures and fittings which have become worn out or otherwise unfit for use with others of a like nature and equal value.

2. No Alterations

- 2.1 Save to the extent required to comply with the requirements of any Permitted Development, the Borrower shall not, without the prior written consent of the Lender:

- 2.1.1 pull down or remove the whole or any part of any building forming part of the Property nor permit the same to occur; or

- 2.1.2 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 2).

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

3. Development Restrictions

Save to the extent required to comply with the requirements of any Permitted Development, the Borrower shall not, without the prior written consent of the Lender:

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

- 4.1.1 loss or damage by fire or terrorist acts;
- 4.1.2 other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Borrower; and
- 4.1.3 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 Borrower shall, if requested by the Lender, produce to the Lender the policy, certificate or cover note relating to any such insurance required by paragraph 4.1 of this Part 2 of Schedule 2 (or where, in the case of any leasehold property, such insurance is effected by the landlord, such evidence of insurance as the Borrower is entitled to obtain from the landlord under the terms of the relevant lease).
- 4.3 The Borrower shall, if requested by the Lender, procure that a note of the Lender's interest is endorsed upon, or the Lender is named as composite insured with the Borrower on, each Insurance Policy maintained by the Borrower or any person on the Borrower's behalf in accordance with paragraph 4.1 of this Part 2 of Schedule 2 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 Borrower 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 Borrower is entitled to obtain from the landlord under the terms of the relevant lease).

6. No Invalidation of Insurance

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

7. Proceeds from Insurance Policies

All monies payable under any Insurance Policy at any time (whether or not the security constituted by this Deed has become enforceable) shall (if paid to the Borrower) 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; and

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 Borrower 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 2, is not to be unreasonably withheld or delayed in circumstances in which the Borrower may not unreasonably withhold or delay the Borrower's 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 Borrower shall not, without the prior written consent of the Lender, enter into any onerous or restrictive obligations affecting the whole or any part of the Property or create or permit to arise

any overriding interest, easement or right whatever in or over the whole or any part of the Property.

10. Proprietary Rights

The Borrower shall use its 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 Borrower 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

The Borrower shall:

12.1 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;

12.2 (if the Lender, acting reasonably, so requires) immediately, and at the cost of the Borrower, take all reasonable and necessary steps to comply with any Notice, and make, or join with the Lender in making, such objections or representations in respect of any such Notice as the Lender, acting reasonably, thinks fit; and

12.3 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 Borrower 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 Borrower:

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

17. Inspection

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

18. VAT Option to Tax

The Borrower 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.

19. Further Assurance

The Borrower shall promptly on demand and at its own cost execute and do all such assurances, acts and things including without limitation, execute all transfers, conveyances, assignments and assurances of the Property and give all notices, orders and directions which the Lender may require for perfecting or protecting the Security or the priority thereof, or for facilitating the realisation of the Property or the exercise of any of the rights vested in the Lender or any Receiver.

20. Inspection

The Borrower shall permit the Lender and any Receiver and any person appointed by either of them to enter upon and inspect any Property during normal business hours upon reasonable prior notice.

21. Borrower's Waiver of Set-Off

The Borrower waives any present or future right of set-off it may have in respect of the Secured Liabilities (including sums payable by the Borrower under this Deed).

22. Centre of main interests

The Borrower shall not move its centre of main interests for the purposes of Regulation (EU) 2015/848 of 20 May 2015 on insolvency proceedings (recast) outside England and Wales.

Schedule 4

Powers of Lender

1. Power to Remedy

- 1.1 The Lender shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Borrower of any of his obligations contained in this Deed.
- 1.2 The Borrower irrevocably authorises the Lender and its agents to do all such things as are necessary or desirable for that purpose.
- 1.3 Any monies expended by the Lender in remedying a breach by the Borrower of his obligations contained in this Deed, shall be reimbursed by the Borrower to the Lender on a full indemnity basis and shall carry interest in accordance with clause 9.
- 1.4 In remedying any breach in accordance with this paragraph 1 of Schedule 4, 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.

2. Exercise of Rights

The rights of the Lender under paragraph 1 of Schedule 4 are without prejudice to any other rights of the Lender under this Deed and the exercise of those rights shall not make the Lender liable to account as a mortgagee in possession.

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:

- 3.1 in relation to any of the Charged Property (whether as attorney of the Borrower, in the Lender's capacity as mortgagee or otherwise);
- 3.2 whether or not it has taken possession of any Charged Property and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

4. Power to Dispose Of Chattels

At any time after the security constituted by this Deed shall have become enforceable, the Lender or any Receiver:

- 4.1 may dispose of any chattels or produce found on any Property as agent for the Borrower; and
- 4.2 without prejudice to any obligation to account for the proceeds of any sale of such chattels or produce, shall be indemnified by the Borrower against any liability arising from such disposal.

5. Prior Encumbrances

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

- 5.1 redeem such or any other prior Encumbrance or procure its transfer to itself; and

- 5.2 settle any account of the holder of any prior Encumbrance.

Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Borrower and all monies paid by the Lender to an encumbrancer in settlement of such an account shall, be paid or reimbursed by the Borrower to the Lender on demand.

6. Conversion of Currency

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 the Lender under this Deed (including the proceeds of any previous conversion under this paragraph 6) from their existing currencies of denomination into such other currencies of denomination as the Lender may think fit and any such conversion shall be effected at a market rate selected by the Lender. Each previous reference in this paragraph 6 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.

7. New Accounts

- 7.1 If the Lender receives notice of any subsequent Encumbrance or other interest affecting all or part of the Charged Property, the Lender may open a new account or accounts for the Borrower in the Lender's books and (without prejudice to the Lender's right to combine accounts) no money paid to the credit of the Borrower in any such new account will be appropriated towards or have the effect of discharging any part of the Secured Liabilities.

- 7.2 If the Lender does not open a new account or accounts immediately on receipt of notice under paragraph 7.1 of this Schedule 4, then, unless the Lender gives express written notice to the contrary to the Borrower, as from the time of receipt of the relevant notice by the Lender all payments made by the Borrower to the Lender shall be treated as having been credited to a new account of the Borrower and not as having been applied in reduction of the Secured Liabilities.

8. Lender's Set-Off Rights

The Lender may at any time after:

- 8.1 the security constituted by this Deed has become enforceable; or
- 8.2 the Lender has received notice of any subsequent Encumbrance or other interest affecting all or any part of the Charged Property,

transfer, without prior notice, all or any part of the balance standing to the credit of any account with any Lender's Group Member to any other account which may be in debit but the Lender shall notify the Borrower of the transfer once made.

9. Indulgence

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

Schedule 5

Enforcement

1. Enforcement Events

This Deed and the security constituted by this Deed shall be immediately enforceable if:

- 1.1 any of the Secured Liabilities are not paid or discharged when the same ought to be paid or discharged by the Borrower (whether on demand or at scheduled maturity or by acceleration or otherwise, as the case may be); or
- 1.2 the Borrower is in breach of any of its obligations under this Deed, any Finance Document or under any other agreement between the Borrower and the Lender and that breach (if capable of remedy) has not been remedied to the satisfaction of the Lender within 14 days of notice by the Lender to the Borrower to remedy the breach; or
- 1.3 the Lender makes an immediate demand for repayment of the Secured Liabilities; or
- 1.4 any representation, warranty or statement made or deemed to be made by the Borrower under this Deed is or proves to have been incorrect or misleading in any material respect when made or deemed to be made, or
- 1.5 an Event of Default occurs,

and in any such event (whether or not the event is continuing), without prejudice to any other rights of the Lender, the powers of sale under the LPA 1925 shall immediately be exercisable and the Lender may in its absolute discretion enforce all or any part of the security created by this Deed at the times, in the manner and on the terms it thinks fit.

2. Statutory Power of Sale

- 2.1 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 paragraph 1 of Schedule 5 or other such terms of this Deed.
- 2.2 Section 103 of the LPA 1925 (restricting the power of sale) does not apply to the security constituted by this Deed.

3. Extension of Statutory Powers

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 Borrower, to:

- 3.1 grant or vary any lease or agreement for lease; or
- 3.2 accept surrenders of leases, or
- 3.3 grant any option over the whole or any part of the Property with whatever rights relating to other parts of it; or

- 3.4 whether or not at a premium and containing such covenants on the part of the Borrower 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.

4. Prior Encumbrances

- 4.1 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:

- 4.1.1 redeem such or any other prior Encumbrance;
- 4.1.2 procure the transfer of that Encumbrance to itself, and/or
- 4.1.3 settle any account of the holder of any prior Encumbrance.

- 4.2 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 Borrower 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.

5. Protection of Third Parties

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

- 5.1 whether any of the Secured Liabilities have become due or payable or remain unpaid or undischarged;
- 5.2 whether the power the Lender or a Receiver is purporting to exercise has become exercisable; or
- 5.3 how any money paid to the Lender or any Receiver is to be applied.

6. No Liability as Mortgagee in Possession

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

7. Appointment of Receiver

- 7.1 At any time after the security constituted by this Deed has become enforceable, or at the request of the Borrower, the Lender may without further notice:

- 7.1.1 appoint by way of deed, or otherwise in writing, any one or more person or persons to be a receiver or a receiver and manager of all or any part of the Charged Property; and
- 7.1.2 (subject to section 45 of the Insolvency Act 1986) from time to time by way of deed, or otherwise in writing, remove any person appointed to be Receiver and may in like manner appoint another in his place.

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

- 7.2 The Lender may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925 and the remuneration of the Receiver shall become a debt secured by this Deed which shall be due and payable immediately upon its being paid by the Lender.

8. Powers Additional

- 8.1 The powers of sale and appointing a Receiver conferred by this Deed shall be in addition to all statutory and other powers of the Lender under the Insolvency Act 1986, the LPA 1925 or otherwise and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

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

9. Agent of the Borrower

Any Receiver appointed by the Lender under this Deed shall be the agent of the Borrower and the Borrower 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 Lender under this Deed shall in addition to the powers conferred on him by the LPA 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 Property over which the Receiver is appointed and in particular the powers set out in Schedule 6.

- 10.2 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 Schedule 6 of this Deed.

11. Order of Application of Proceeds

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:

- 11.1 first in discharge of all rents, taxes, rates and outgoings properly payable in respect of the Charged Property;
- 11.2 second 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;
- 11.3 third in or towards discharge of the Secured Liabilities in such order and manner as the Lender shall determine; and
- 11.4 finally in paying any surplus to the Borrower or any other person entitled to it.

12. Section 109(8) Law of Property Act 1925

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 as between any of the Secured Liabilities.

13. Suspense Account

All monies received by the Lender or a Receiver under this Deed may, at the discretion of the Lender or Receiver, be credited to any suspense or securities realised account and shall bear interest at such rate, if any, as may be agreed in writing between the Lender and the Borrower and may be held in such account for so long as the Lender or Receiver thinks fit.

14. Power of Attorney

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

14.1 the Borrower is required to execute and do under this Deed; and/or

14.2 any attorney may deem proper or desirable in exercising any of the powers, authorities and discretions conferred by this Deed or by law on the Lender or any Receiver.

15. Ratification of Acts of Attorney

The Borrower ratifies and confirms and agrees to ratify and confirm anything which any of its attorneys may do in the proper and lawful exercise or purported exercise of all or any of the powers, authorities and discretions referred to in paragraph 14 of this Schedule 5.

16. Appointment of an Administrator

16.1 The Lender may, without notice to the Borrower, appoint any one or more persons to be an administrator of the Borrower pursuant to paragraph 14 Schedule B1 of the Insolvency Act 1986 if this Deed becomes enforceable.

16.2 Any appointment under this paragraph 16 shall:

16.2.1 be in writing signed by a duly authorised signatory of the Lender, and

16.2.2 take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986, when the requirements of paragraph 18 of that Schedule B1 are satisfied.

16.3 The Lender may (subject to any necessary approval from the court) end the appointment of an Administrator by notice in writing in accordance with this paragraph 16 and appoint under that paragraph a replacement for any Administrator whose appointment ends for any reason.

Schedule 6

Further powers of Receiver

1. To Repair and Develop Properties

A Receiver may undertake or complete any works of repair, alteration, building or development on the Properties 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.

2. Where the Property is leasehold

A Receiver may if any of the Properties are leasehold vary the terms of or surrender the lease and/or take a new lease of the relevant Property or of any part of that Property and/or exercise any rights of the Borrower 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.

3. To Surrender and Vary Leases

A Receiver may grant or accept surrenders of any leases or tenancies affecting the Properties or vary the terms of any leases or tenancies affecting the Properties upon such terms and subject to such conditions as he thinks fit for the purpose of protecting and/or realising the Lender's security under this Deed.

4. To Employ Personnel and Advisors

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. A Receiver may discharge any such person or any such person appointed by the Borrower.

5. To Make VAT Elections

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

6. To Charge 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.

7. To Realise Charged Property

7.1 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.

- 7.2 A Receiver may, after giving the Borrower 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.
8. To Manage or Reconstruct The Borrower's Business
- A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Borrower.
9. To Dispose of Charged Property
- A Receiver may grant options and licences over all or any part of the Charged Property, sell or concur in selling, assign or concur in assigning, lease or concur in leasing and accept or concur in accepting surrenders of leases of, all or any of the property of the Borrower in respect of which he is appointed in such manner and generally on such terms and conditions as he thinks fit (fixtures and plant and machinery may be severed and sold separately from the premises in which they are contained without the consent of the Borrower) and to carry any such sale, assignment, leasing or surrender into effect. Any such sale may be for such consideration as he shall think fit and he may promote or concur in promoting a company to purchase the property to be sold.
10. To 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.
11. To Bring Proceedings
- 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. To Make Settlements
- A Receiver may make any arrangement, settlement or compromise between the Borrower and any other person which he may think expedient.
13. To Improve Equipment
- A Receiver may make substitutions of, or improvements to, the Equipment as he may think expedient.
14. To Make Calls on Borrower Members
- A Receiver may make calls conditionally or unconditionally on the members of the Borrower in respect of the uncalled capital with such and the same powers for that purpose and for the purpose of enforcing payments of any calls so made as are conferred by the articles of association of the Borrower on its directors in respect of calls authorised to be made by them.
15. To Appoint Staff and Agents
- A Receiver may appoint managers, officers, servants, workmen and agents for the aforesaid purposes at such salaries and for such periods and on such terms as he may determine.

16. To Insure

A Receiver may, if he thinks fit, but without prejudice to the indemnity contained in clause 9, effect with any insurer any policy or policies of insurance either in lieu or satisfaction of, or in addition to, such insurance.

17. Law of Property Act 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 that act and exercise all powers provided for an administrative receiver in Schedule 1 of the Insolvency Act 1986.

18. To Borrow

A Receiver may for any of the purposes authorised by this Schedule 6, raise money by borrowing from the Lender or from any other person on the security of all or any of the Charged Property in respect of which he is appointed upon such terms (including if the Lender shall consent to terms under which such security ranks in priority to this Deed) as he shall think fit.

19. To Redeem Prior Encumbrances

A Receiver may redeem any prior Encumbrance and settle and pass the accounts to which the Encumbrance relates and any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Borrower and the monies so paid will be deemed to be an expense properly incurred by him.

20. Incidental Powers

A Receiver may do all such other acts and things:

20.1 as he may consider desirable or necessary for realising any of the Charged Property;

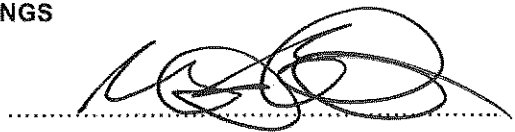
20.2 as he may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this deed or law; or

20.3 which he lawfully may or can do as agent for the Borrower.

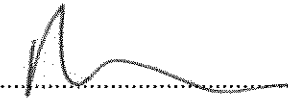
21. Scope of Powers

Any exercise of any of these powers may be on behalf of the Borrower, the directors of the Borrower (in the case of the power contained in paragraph 14 of this Schedule 6) or himself.

EXECUTED as a DEED by MILFORD PROPERTY HOLDINGS
LIMITED acting by a director in the presence of:



Signature of director

Signature of witness 

Print name NEIL STEELWORTH

Address 9 BLOND STREET

STAMFORD

RG7 1M

Occupation SOLICITOR

EXECUTED as a DEED by ARBUTHNOT SPECIALIST
FINANCE LIMITED acting by its attorney SHOAIB PATEL
pursuant to a power of attorney in the presence of:

.....
Signature of Attorney

.....
Signature of Arbuthnott Specialist Finance Ltd

Signature of witness

Print name

Address

.....

.....

Occupation