



Registration of a Charge

LLP name: **J & S BROOKSBANK LLP**

LLP number: **OC324375**

Received for Electronic Filing: **04/11/2015**



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Details of Charge

Date of creation: **30/10/2015**

Charge code: **OC32 4375 0008**

Persons entitled: **LLOYDS BANK PLC**

Brief description: **THE PROPERTY KNOWN AS THE OLD CHURCH HOTEL,
WATERMILLOCK, PENRITH, CA11 0JN (TITLE NUMBER CU225850).
REFER TO INSTRUMENT FOR FURTHER DETAILS OF MORTGAGED
PROPERTIES.**

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 SAVE FOR MATERIAL REDACTED PURSUANT
TO S.859G OF THE COMPANIES ACT 2006 AS APPLIED BY**

THE LIMITED LIABILITY PARTNERSHIPS (APPLICATION OF COMPANIES ACT 2006) REGULATIONS 2009 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.

Certified by:

SQUIRE PATTON BOGGS (UK) LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

LLP number: OC324375

Charge code: OC32 4375 0008

The Registrar of Companies for England and Wales hereby certifies that a charge dated 30th October 2015 and created by J & S BROOKSBANK LLP was delivered pursuant to Part 25 of the Companies Act 2006 as applied by The Limited Liability Partnerships (Application of Companies Act 2006) (Amendment) Regulations 2013 on 4th November 2015 .

Given at Companies House, Cardiff on 5th November 2015

The above information was communicated by electronic means and authenticated
by the Registrar of Companies under the Limited Liability Partnership
(Application of the Companies Act 2006) Regulations 2009 SI 2009/1804



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Mortgage of freehold or leasehold property to secure own liabilities of a company or of a limited liability partnership

To be presented for registration at Companies House against the Mortgagor within 21 days of dating.

We hereby certify that this is a
true and correct copy of the original
Dated 04 November 2015

SQUIRE PATTON BOGGS (UK) LLP
2 PARK LANE
LEEDS
LS3 1ES

SQUIRE PATTON BOGGS (UK) LLP

To

Lloyds Bank plc

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Clause 5.2 contains a request to HM Chief Land Registrar to note a restriction in the Proprietorship Register

THIS MORTGAGE DEED is made on the

(day)	(month)	(year)
30 th	October	2015

BETWEEN

J & S BROOKSBANK LLP

(Registered number OC324375)

St Bernards Mill Gelderd Road, Gildersome, Morley, Leeds, LS27 7NA
(the "Mortgagor")

and Lloyds Bank plc (Company number 2065) ("the Bank")

Address for communications with the Bank under this Mortgage is WBM Securities, Dept. , 5th Floor, 110 St Vincent Street, Glasgow, G2 5ER or at such other address as the Bank may from time to time notify to the Mortgagor in writing for this purpose.

1. DEFINITIONS AND INTERPRETATION

1.1 In this Mortgage, so far as the context admits, the following words and expressions shall have the following meanings:

"Agricultural Land" means agricultural land within the meaning of the Agriculture Act 1947;

"Chattels" means all stock, goods, moveable plant, machinery, implements, utensils, furniture and equipment now or from time to time placed on or used in or about (but not forming part of) the Mortgaged Property;

"Enfranchising Legislation" means any legislation conferring upon a tenant or tenants of property (whether individually or collectively with other tenants of that or other properties) the right to acquire a new lease of that property or to acquire, or require a nominee to acquire, the freehold or any intermediate reversionary interest in that property including (without limitation) the Leasehold Reform Act 1967 the Leasehold Reform, Housing and Urban Development Act 1993 and the Commonhold and Leasehold Reform Act 2002 but does not include Part II of the Landlord and Tenant Act 1954;

"Environmental Law" means all laws (statutory, common law or otherwise) including, without limitation, circulars, guidance notes and codes of practice from time to time regulating the control and prevention of pollution to land water or atmosphere and/or the carrying on of any process or activity on premises and any emissions from and all waste produced by such process or activity and any chemicals or substances relating to the same whether relating to health and safety, the work place, the environment or the provision of energy (including, without limitation, the Health and Safety at Work etc. Act 1974, the Control of Pollution Act 1974, the Environmental Protection Act 1990, the Environment Act 1995, the Water Industry Act 1991, the Water Resources Act 1991, the Statutory Water Companies Act 1991, the Water Consolidation (Consequential Provisions) Act 1991, the Water Act 2003, the Clean Air Act 1993, the Alkali, etc., Works Regulation Act 1906, the Planning (Hazardous Substances) Act 1990, the Public Health Acts and the Radioactive Substances Act 1993 and any European Union directives or regulations regulating the same) from time to time in force and any instrument, plan, regulation, permission, authorisation, order or direction made or issued thereunder or deriving validity therefrom;

"Environmental Licence" means any permit, licence, authorisation, consent or other approval required by or given pursuant to any Environmental Law;

"Insolvency Event" in relation to the Mortgagor means each of the following:

- (a) a meeting is convened for the purpose of considering a resolution to wind up the Mortgagor;
- (b) such a resolution as is mentioned in paragraph (a) is passed;

- (c) a meeting of the directors or members of the Mortgagor is convened for the purpose of considering a resolution to seek a winding up order, an administration order or the appointment of an administrator;
- (d) such a resolution as is mentioned in paragraph (c) is passed;
- (e) a petition for a winding up or an application for an administration order is made by the Mortgagor or its directors or members or is presented against the Mortgagor;
- (f) such an order as is mentioned in paragraph (e) is made;
- (g) a notice of appointment of or notice of intention to appoint an administrator is issued by the Mortgagor or its directors or members or by the holder of a qualifying floating charge or a proposal is made for, or the Mortgagor becomes subject to, any voluntary arrangement;
- (h) a receiver (administrative or otherwise) is appointed over all or part of the Mortgagor's assets;
- (i) the Mortgagor takes part in any action (including entering negotiations) with a view to readjustment, rescheduling, forgiveness or deferral of any part of the Mortgagor's indebtedness;
- (j) the Mortgagor proposes or makes any general assignment, composition or arrangement with or for the benefit of all or some of the Mortgagor's creditors;
- (k) the Mortgagor suspends or threatens to suspend making payments to all or some of the Mortgagor's creditors;
- (l) any action is taken in any jurisdiction which is similar or analogous to any of the foregoing; or
- (m) the Bank has reasonable grounds for believing that any of the foregoing is imminent;

"Intellectual Property Rights" means:

- (a) all present and future copyrights, patents, designs, trademarks, service marks, brand names, inventions, design rights, know-how, formulas, confidential information, trade secrets, computer software programmes, computer systems and all other intellectual property rights whatsoever without any limitation, whether registered or unregistered, in all or any part of the world in which the Mortgagor is legally, beneficially or otherwise interested;
- (b) the benefit of any pending applications for the same and all benefits deriving therefrom and thereunder including but not limited to royalties, fees, profit sharing agreements and income arising therefrom and all licences in respect of or relating to any intellectual property rights, whether such licences are granted to the Mortgagor or granted by the Mortgagor; and
- (c) every item of physical material of any description or type whatever in or in respect of which intellectual property rights may subsist and in respect of each such item the original copy or version or variant owned by, produced by or delivered to or obtained by the Mortgagor and any rejected and surplus materials associated or connected with or forming part of the foregoing which shall include, without limitation, any and all manuals and translations thereof, log books, designs, sketches, algorithms, calculations, diagrams, computations, source codes, models, prototypes, apparatus, computer programmes, photographs, books and other records in any medium, electronic data and any other material of any description whatever in which intellectual property may be incorporated;

"Mortgaged Assets" means the Mortgaged Property and all of the other assets, rights and properties assigned, mortgaged or charged under or pursuant to this Mortgage, and such expression shall include all or any part thereof;

"Mortgaged Chattels" means all present and future Chattels belonging to the Mortgagor or in which the Mortgagor has any interest;

- 4.7 The Mortgagor with full title guarantee assigns to the Bank the Intellectual Property Rights that arise in connection with the business (if any) now or at any time hereafter carried on by the Mortgagor at the Mortgaged Property, subject to re-assignment on payment of all the Secured Obligations.
- 4.8 If there are two or more parties comprised in the expression the "Mortgagor", each of such parties with full title guarantee hereby charges and assigns all such party's estate, rights, title and interest in the Mortgaged Assets to secure payment of the Secured Obligations.
- 4.9 The security hereby constituted shall extend to all beneficial interests of the Mortgagor in the Mortgaged Assets and to any proceeds of sale or other realisation thereof or of any part thereof.
- 4.10 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to the floating charge created by this Mortgage.
- 4.11 The Mortgagor represents and warrants that, at the date that the Mortgagor executes this Mortgage, the Mortgagor has made full disclosure in writing to the Bank of:
- (a) any information relating to each part of the Mortgaged Assets and each right held by any other person in relation to any part of the Mortgaged Assets which, in each case, would be material to the Bank in relation to the appropriateness or adequacy of any part of the Mortgaged Assets as security for the Secured Obligations; and
 - (b) each matter in respect of which the Bank has requested information from the Mortgagor in connection with this Mortgage.

5. RESTRICTIONS AND WARRANTIES

- 5.1 The Mortgagor shall not without the prior written consent of the Bank:
- (a) sell, assign, license, sub-license, discount, factor or otherwise dispose of or deal in any other way with, the Mortgaged Assets (other than the Mortgaged Chattels) subject as provided in clause 5.5 (a);
 - (b) sell or otherwise dispose of all or any part of the Mortgaged Chattels except by way of sale, assignment, licence or sub-licence in the ordinary course of business;
 - (c) create or permit to subsist or arise any mortgage, debenture, hypothecation, charge, assignment by way of security, pledge or lien or any other encumbrance or security whatsoever (other than the Prior Mortgage(s) and a lien over any Chattels arising by operation of law in the ordinary course of the Mortgagor's business as conducted during the 12 months preceding the date when the lien first came into existence) over all or any part of the Mortgaged Assets; or
 - (d) enter into any contractual or other agreement or arrangement which has or may have an economic effect similar or analogous to any such encumbrance or security as would be prohibited by sub-clause 5.1 (c).
- 5.2 The Mortgagor hereby requests the Chief Land Registrar to register the following restriction on the Proprietorship Register of any registered land forming part of the Mortgaged Property:
- "RESTRICTION
- No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge is to be registered without a written consent signed by the proprietor for the time being of the charge dated _____ in favour of Lloyds Bank plc referred to in the Charges Register."
- 5.3 The Mortgagor represents and warrants to the Bank, and so that each such representation and warranty shall be deemed to be repeated on each day during the continuance of this security, that, except to the extent disclosed by the Mortgagor to the Bank in writing prior to the date hereof:
- (a) the Mortgagor has not made any election pursuant to paragraph 2 of schedule 10 to the Value Added Tax Act 1994 in relation to or affecting any part of the Mortgaged Property;

- (b) so far as the Mortgagor is aware after making due and careful enquiry the charges and assignments contained in clause 4 do not infringe any intellectual property rights whether registered or unregistered whatsoever;
- (c) no circumstances have occurred during the Mortgagor's ownership of the Mortgaged Property and, so far as the Mortgagor is aware after making due and careful enquiry no circumstances occurred before the Mortgagor's ownership of the Mortgaged Property which have led or could lead to a competent authority or a third party taking any action or making a claim under any Environmental Law (including the requirement to clean up or remedy in any other way any contaminated part of the environment or the revocation, suspension, variation or non-renewal of any Environmental Licence) or which have led or could lead to the Mortgagor having to take action to avert the possibility of any such action or claim; and
- (d) the Mortgagor is solely and beneficially interested in the Mortgaged Assets.

5.4 The Mortgagor shall not make or revoke such an election as is referred to in sub-clause 5.3(a) in relation to any part of the Mortgaged Property without the Bank's prior written consent or unless the Bank requests the Mortgagor to do so, in which case the Mortgagor shall immediately make or revoke (as the case may be) such an election in relation to any part of the Mortgaged Property that the Bank considers appropriate and give valid notification of it to H.M. Revenue and Customs.

5.5

- (a) Sub-clause 5.1(a) shall not prevent the Mortgagor without such consent as is referred to in that clause collecting:

- (i) the rents, fees, service charges, sums, deposits or other amounts referred to in sub-clause 4.2 or the proceeds thereof; or
- (ii) the proceeds of the book and other debts, monetary claims and choses in action, rentals or other payments referred to in sub-clause 4.3,

in the ordinary course of business and paying the same into the Mortgagor's account(s) with the Bank in accordance with sub-clause 5.5(b). Where the Bank makes a payment at the request of the Mortgagor which is debited to any account with the Bank which is for the time being in credit, the Bank shall be taken to have given any necessary consent for the purposes of clause 5.1(a) to such payment unless such payment was made as a result of some mistake of fact on the part of the Bank;

- (b) The Mortgagor shall pay into its account or accounts with the Bank:

- (i) the rents, fees, service charges, sums, deposits and other amounts referred to in sub-clause 4.2 and the proceeds thereof; and
- (ii) the proceeds of the book and other debts, monetary claims and choses in action, rentals and other payments referred to in sub-clause 4.3,

provided that (where relevant) the Bank shall be deemed to receive the rentals and other amounts referred to in sub-clauses 4.2 and 4.3 (a),(b),(c),(d) and (f) pursuant to the assignment or fixed charge respectively contained therein and not pursuant to the charges over the Mortgaged Property or as mortgagee in possession.

- (c) The Mortgagor declares that all such proceeds received or obtained by the Mortgagor or on the Mortgagor's behalf but which are not so paid or transferred into that account or accounts shall be received and held by the Mortgagor on trust for the Bank.

6. FURTHER ASSURANCE

6.1 The Mortgagor shall at any time if and when required by the Bank execute and deliver to the Bank or as the Bank shall direct such further legal or other assignments, mortgages, securities, charges, agreements and other legal documentation as the Bank shall require of and on all or any of the Mortgaged Assets to secure payment of the Secured Obligations. Such assignments, mortgages, securities, charges agreements or other legal documentation shall be prepared by or on behalf of the Bank at the cost of the Mortgagor and shall contain all such clauses for the benefit of the Bank as the Bank may require including without limitation if so required by the Bank, in the case of a mortgage or

and the Bank or with the interest of the Bank endorsed on the policy or policies or noted, as the Bank may require;

- (c) (unless deposited with the holder(s) for the time being of the Prior Mortgage(s), or unless the insurance to which such policy or policies relate and which was approved by the Bank was effected by a landlord with the respective interests of the Mortgagor and the Bank endorsed or noted thereon), deposit the relevant policy or policies with the Bank;
- (d) duly pay all premiums and sums payable in relation to such insurance and produce the receipts therefor to the Bank within seven days of their becoming due and payable; and
- (e) ensure that the relevant policy or policies remain valid at all times.

12.2

- (a) If default shall at any time be made by the Mortgagor in keeping the Mortgaged Assets or any part thereof in a good state of repair, or in effecting or keeping up any such insurance, or in paying any rent or other outgoings or dilapidations or in producing to the Bank any such policy or receipt or, where the Mortgaged Property is or includes Agricultural Land, in cultivating or managing the same or any part thereof in a good and proper and husbandlike manner, it shall be lawful for but not obligatory on the Bank (as the case may require) to repair and maintain or cultivate and manage the same with power to enter the Mortgaged Property for that purpose or to pay such rent and other outgoings and dilapidations or to effect or renew any such insurance as aforesaid as the Bank shall think fit, and any sums paid by the Bank for any such purpose shall be repayable by the Mortgagor to the Bank on demand with interest computed and payable as provided in clauses 2 and 3 from the date of payment by the Bank as aforesaid, and pending payment shall be secured hereby.
- (b) All money which may at any time be received or receivable under any such policies of insurance (or any other insurances covering any of the Mortgaged Assets) shall be held in trust for the Bank and (at the Bank's option) the Mortgagor shall pay such money to the Bank or shall apply the same in replacing, restoring or reinstating the buildings, fixtures and assets destroyed or damaged.

12.3 Any sum paid by the Bank to the lessor of any lease under which the Mortgaged Property is held (or under any superior lease) in settlement of any claim made by the lessor for any rent or other outgoings or dilapidations reserved or payable or alleged to be reserved or payable under the lease shall be deemed to be a payment properly made under the terms of clause 12.2(a) (whether or not actually due to the lessor and whether or not disputed by the Mortgagor) provided that such payment was made by the Bank in good faith for the purpose of avoiding, compromising or terminating any proceedings for forfeiture, or otherwise for the purpose of preserving or enforcing the security hereby created.

12.4 The Mortgagor authorises the Bank in the Mortgagor's name and on the Mortgagor's behalf to make any claim against the insurer under any part of any insurance policy relating to the Mortgaged Assets and to admit, compromise or settle such claim or any liability relating to any such claim or any potential claim.

12.5 The Mortgagor also authorises the Bank to receive any amounts payable or received in respect of any insurance policy or claim under any insurance policy relating to the Mortgaged Assets and to give a good discharge to the insurer in respect of such amounts.

13. MORTGAGED LICENCES

13.1 The Mortgagor shall at its own expense obtain and maintain all licences, permits, consents and authorisations required in connection with any business at any time carried on at the Mortgaged Property.

13.2 If any Mortgaged Licences are held in connection with any business at any time carried on at the Mortgaged Property, the following shall apply:

- (a) the Mortgagor shall at its own expense conform to all orders, regulations and notices made by the licensing authority, the licensing justices or any other authority concerning the Mortgaged Assets and the said business, and apply for and use its best endeavours to obtain whenever necessary proper renewals or regrants of the Mortgaged Licences, and

shall not surrender, abandon or transfer to any person any of the Mortgaged Licences or remove the same or any of them to any other premises or do or permit any act or thing whereby the renewal of any such licences may be refused or discontinued or whereby the said business or the goodwill thereof or the letting or sale of the Mortgaged Property may be prejudicially affected, and shall upon demand by or on behalf of the Bank deliver to the Bank or as the Bank shall direct the Mortgaged Licences and give, do and execute all notices, acts, instruments and things necessary or convenient for transferring the same or any of them to or vesting the same in the Bank or its nominee or nominees, or withdrawing from the books of H.M. Revenue and Customs the entry of the Mortgagor as carrying on the business carried on upon the Mortgaged Property;

- (b) all money received by the Bank as compensation awarded in respect of the refusal of the licensing authority, the licensing justices or any other authority concerning the Mortgaged Assets to renew the Mortgaged Licences or any of them shall be applied first in payment of the costs incurred by the Bank under this Mortgage, secondly in or towards satisfaction of the other Secured Obligations and subject thereto shall be held in trust for the Mortgagor;
- (c) the Mortgagor shall forthwith upon the receipt of any order, direction or notice from the licensing authority, the licensing justices or any other authority affecting the Mortgaged Assets forward the same or a true copy thereof to the Bank;
- (d) the Mortgagor further covenants with the Bank in the manner following:
 - (i) the Mortgagor shall pay all charges which may be imposed in respect of the Mortgaged Licences or any of them by virtue of the, the Licensing Act 2003 or any other statutory enactment, and in default the Bank or any receiver may pay all such costs charges and expenses;
 - (ii) the Mortgagor shall from time to time at the request of the Bank endeavour to procure the transfer of any of the Mortgaged Licences which may be held by nominees on behalf of or in trust for the Mortgagor to such other person or persons as the Bank may approve or appoint, and shall not permit the transfer of such licences to any person or persons not approved by the Bank;
 - (iii) the Mortgagor shall keep the Mortgaged Licences and every renewal or regrant thereof and any new licences granted in respect of the Mortgaged Assets insured against forfeiture or refusal to renew in the name of the Bank for a sum and in an office to be approved by the Bank in writing, and shall deposit the relevant policy or policies with the Bank and shall duly pay all premiums and sums of money payable for this purpose and produce the receipts therefor to the Bank within seven days of their becoming due and payable. In the case of the Mortgagor making default in that behalf, the Bank may pay all premiums and sums of money for effecting or keeping in force the said insurance. If any other policies of insurance cover the Mortgaged Licences and/or their renewal or regrant as aforesaid, the Mortgagor shall hold any sums received under such policies in trust for the Bank and shall pay the same to the Bank on demand;
 - (iv) If the Mortgaged Licences or any of them shall at any time be vested in a nominee of the Mortgagor, the Mortgagor shall procure that all covenants by the Mortgagor herein contained shall be performed and fulfilled by any such nominee; and
 - (v) all sums, costs and expenses paid or incurred by the Bank under the powers conferred by this clause shall be paid by the Mortgagor to the Bank on demand with interest computed and payable as provided in clauses 2 and 3 from the time or respective times of the same having been paid or incurred by the Bank or the receiver as the case may be, and pending payment shall be secured hereby; and
- (e) without limiting the generality of clause 15, the power of attorney contained in that clause shall authorise the attorney or attorneys for and in the name of the Mortgagor or otherwise:

- (i) to assign and transfer the Mortgaged Licences to any purchaser or purchasers of the Mortgaged Assets or to such other person or persons as the Bank shall direct;
- (ii) to attend before the relevant authorities and to sign all such notices and other documents and to do all such other acts and things for and in the name, place and stead and on behalf of the Mortgagor or otherwise in order to obtain protection for, or the transfer of the Mortgaged Licences to, such purchaser or purchasers or other person or persons as aforesaid, and to appeal against any refusal by any authority in respect of any grant or transfer or any renewal of any of the Mortgaged Licences or any order, regulation or direction made by any authority in respect of the Mortgaged Licences;
- (iii) to sign all necessary notices and make all necessary applications for the purpose of obtaining the renewal, grant or regrant of any of the Mortgaged Licences; and
- (iv) generally to execute all such instruments and to give or sign all such notices as the attorney shall think fit as fully and effectually to all intents and purposes whatsoever as the Mortgagor could do personally.

14. ENVIRONMENTAL OBLIGATIONS

The Mortgagor shall:

- (a) obtain all Environmental Licences applicable to the Mortgaged Assets and any business of the Mortgagor carried on at the Mortgaged Property and comply with the terms and conditions of the same;
- (b) comply with all Environmental Laws applicable to the Mortgaged Assets and any business of the Mortgagor carried on at the Mortgaged Property and not permit a contravention of the same;
- (c) notify the Bank of the receipt of and content of all claims, notices or other communications in respect of any alleged breach of any Environmental Law or the terms and conditions of any Environmental Licence which may have a material adverse effect on the market value of the Mortgaged Assets or on the value of any business carried on by the Mortgagor at the Mortgaged Property, and forthwith take such steps as the Bank may direct to remedy or stop such alleged breach;
- (d) promptly pay all fees and other charges in respect of any Environmental Licence applicable to the Mortgaged Assets or any business carried on by the Mortgagor at the Mortgaged Property;
- (e) forthwith notify the Bank of the receipt of and the contents of any notices or other communication varying or suspending any Environmental Licence relating to the Mortgaged Assets or any business carried on by the Mortgagor at the Mortgaged Property and forthwith take such steps as the Bank may direct to reinstate in full force and effect any Environmental Licence so varied or suspended;
- (f) forthwith supply the Bank with copies of any environmental reports, audits or studies undertaken in relation to the Mortgaged Assets or any business carried on by the Mortgagor at the Mortgaged Property; and
- (g) pay on demand the costs and expenses (including Value Added Tax) incurred by the Bank in commissioning environmental audits (which the Bank shall be entitled to do whenever it thinks fit) and shall permit the Bank and its agents full and free access to all the Mortgaged Assets for the purposes of such environmental audits. (Such costs and expenses shall bear interest from the date of demand computed and payable as provided in clauses 2 and 3, and pending payment, shall be secured hereby).

15. POWER OF ATTORNEY

- 15.1 For the purpose of securing the payment of the Secured Obligations and for securing any proprietary interest which the Bank has in any of the Mortgaged Assets, the Mortgagor irrevocably appoints the

Bank and the persons deriving title under it, and its and their substitutes and any receiver or receivers appointed under this Mortgage (the "Attorney") jointly and also severally to be the Mortgagor's true and lawful attorney. For the purposes aforesaid the Attorney shall have the right to do anything which the Mortgagor may lawfully do and all the rights and powers which may lawfully be given to an attorney including, without prejudice to the generality of the foregoing:

- (a) the right to do anything to procure or carry out the performance of the Mortgagor's obligations under this Mortgage and anything to facilitate the exercise of the Bank's rights under this Mortgage;
- (b) the right to act in the name of the Mortgagor;
- (c) the right to delegate and sub-delegate any or all of the rights of the Attorney; and
- (d) the right to sign, execute, seal, deliver and otherwise perfect:
 - (i) any documents or instruments which the Bank or any receiver may require for perfecting the title of the Bank to the Mortgaged Assets or for vesting the same in the Bank, its nominees or any purchaser; and
 - (ii) any further security documentation referred to in clause 6.

15.2 The Mortgagor ratifies and shall ratify everything done or purported to be done by the Attorney.

16. INDEMNITY

16.1 The Mortgagor hereby agrees to indemnify the Bank and any receiver appointed by it and their respective employees and agents (as a separate covenant with each such person indemnified) against:

- (a) all existing and future rents, rates, taxes, duties, charges, assessments and outgoings now or at any time payable in respect of the Mortgaged Assets or by the owner or occupier thereof; and
- (b) all costs, claims, demands, expenses, charges, assessments, impositions, fines and sums and the consequences of any proceedings or prosecutions arising directly or indirectly from or in connection with any breach by the Mortgagor of any law or of any provision in this Mortgage,

in each case whether imposed by statute or otherwise and whether of the nature of capital or revenue and even though of a wholly novel character. If any such sums shall be paid by the Bank or any such receiver or any of their respective employees or agents, the same shall be paid by the Mortgagor on demand with interest computed and payable as provided in clauses 2 and 3 from the time or respective times of the same having been paid or incurred, and pending payment, shall be secured hereby, but the Bank shall not be deemed to have taken possession of the Mortgaged Assets by reason of such payment.

16.2 The Mortgagor hereby agrees to indemnify the Bank and any receiver appointed by it and their respective employees and agents (as a separate covenant with each such person indemnified) against all loss incurred in connection with:

- (a) any statement made by the Mortgagor or on the Mortgagor's behalf in connection with this Mortgage, the Mortgaged Assets or the business of the Mortgagor being untrue or misleading;
- (b) the Bank entering into any obligation with any person (whether or not the Mortgagor) at the request of the Mortgagor (or any person purporting to be the Mortgagor);
- (c) any actual or proposed amendment, supplement, waiver, consent or release in relation to this Mortgage;
- (d) any stamping or registration of this Mortgage or the security constituted by it; and
- (e) any failure to register this Mortgage in respect of any Mortgaged Assets where such registration is required in order to preserve the effectiveness or priority of the security created by this Mortgage,

whether or not any fault (including negligence) can be attributed to the Bank or any receiver appointed by it or their respective employees and agents.

16.3 This indemnity does not and shall not extend to any loss to the extent that:

- (a) In the case of any loss incurred by the Bank or its employees or agents it arises from the Bank or its employees or agents acting other than in good faith; or
- (b) In the case of any loss incurred by the receiver or his employees or agents it arises from the receiver or his employees or agents acting other than in good faith; or
- (c) there is a prohibition against an indemnity extending to that loss under any law relating to this indemnity.

17. NOTICE OF SUBSEQUENT CHARGES

If the Bank receives notice of any subsequent assignment, mortgage, security, charge or other interest affecting the Mortgaged Assets, the Bank may open a new account. If the Bank does not open a new account it shall nevertheless be treated as if it had done so at the time when it received such notice, and as from that time all payments made to the Bank in respect of any of the Secured Obligations shall be credited or be treated as having been credited to the new account and shall not operate to reduce the amount of the Secured Obligations owing at the time when the Bank received the notice.

18. NOTICES AND DEMANDS

18.1 Without prejudice to the provisions in clause 1.2 (d)(iv) any notice or demand by the Bank to or on the Mortgagor shall be deemed to have been sufficiently given or made if sent to the Mortgagor:

- (a) by hand or prepaid letter post to its registered office or its address stated herein or its address last known to the Bank; or
- (b) by facsimile to the Mortgagor's last known facsimile number relating to any such address or office.

18.2 Without prejudice to the provisions in clause 1.2(d)(iv) any such notice or demand given or made under sub-clause 18.1 shall be deemed to have been served on the Mortgagor:

- (a) at the time of delivery to the address referred to in sub-clause 18.1(a), if sent by hand;
- (b) at the earlier of the time of delivery or 10.00 am on the day after posting (or, if the day after posting be a Sunday or any other day upon which no delivery of letters is scheduled to be made, at the earlier of the time of delivery or 10.00 am on the next succeeding day on which delivery of letters is scheduled to be made), if sent by prepaid letter post;
- (c) at the time of transmission, if sent by facsimile (and a facsimile shall be deemed to have been transmitted if it appears to the sender to have been transmitted from a machine which is apparently in working order); or
- (d) on the expiry of 72 hours from the time of despatch, in any other case.

18.3 Service of any claim form may be made on the Mortgagor in the manner described in sub-clause 18.1(a), in the event of a claim being issued in relation to this Mortgage, and shall be deemed to constitute good service.

18.4 Any notice or communication required to be served by the Mortgagor on the Bank under the terms of this Mortgage shall be in writing and delivered by hand or sent by recorded delivery to the Bank at the Bank's address stated herein (or at such other address as may be notified in writing by the Bank to the Mortgagor for this purpose) and will be effective only when actually received by the Bank. Any notice or communication must also be marked for the attention of such official (if any) as the Bank may for the time being have notified to the Mortgagor in writing.

19. CURRENCY CONVERSION

The Bank may at any time at its sole discretion, and with or without notice to the Mortgagor, elect to convert all or any part of any sum received by the Bank pursuant to this Mortgage (in whole or in part) into the currency or currency unit or currencies or currency units of the whole or any part of the

Secured Obligations (deducting from the proceeds of the conversion any currency premium or other expense), and the rate of exchange shall be the Bank's spot rate for selling the currency or currency unit or currencies or currency units of the Secured Obligations or relevant part thereof for the currency or currency unit of the sum received by the Bank under this Mortgage at or about 11.00 am in London on the date that the Bank exercises its right of conversion under this Mortgage. The Bank may take any such action as may be necessary for this purpose, including without limitation opening additional accounts.

20. PAYMENTS AND COSTS

20.1 If at any time the currency in which all or any part of the Secured Obligations is denominated is, is due to be or has been converted into the euro or any other currency as a result of a change in law or by agreement between the Bank and the relevant obligor, then the Bank may in its sole discretion direct that all or any of the Secured Obligations shall be paid in the euro or such other currency or in any currency unit.

20.2 The Bank may apply, allocate or appropriate the whole or any part of any payment made by the Mortgagor under this Mortgage or any money received by the Bank under any guarantee, indemnity or third party security or from any liquidator, receiver or administrator of the Mortgagor or from the proceeds of realisation of the Mortgaged Assets or any part thereof to such part or parts of the Secured Obligations (or as the Bank may otherwise be entitled to apply, allocate or appropriate such money) as the Bank may in its sole discretion think fit, to the entire exclusion of any right of the Mortgagor to do so.

20.3 If any payment made by or on behalf of the Bank under this Mortgage includes an amount in respect of Value Added Tax, or if any payment due to the Bank under this Mortgage shall be in reimbursement of any expenditure by or on behalf of the Bank which includes an amount in respect of Value Added Tax, then such amount shall be payable by the Mortgagor to the Bank on demand with interest from the date of such demand computed and payable as provided in clauses 2 and 3, and pending payment, shall be secured hereby.

20.4 Without prejudice to the generality of clauses 2 and 9, the Mortgagor shall pay to the Bank (on a full and unqualified indemnity basis) all costs incurred or suffered by the Bank, and any receiver appointed by the Bank shall be entitled to recover as a receivership expense all costs incurred or suffered by him:

- (a) in connection with any application under Part III of the Insolvency Act 1986;
- (b) in defending proceedings brought by any third party impugning the Bank's title to this security or the enforcement or exercise of the rights and remedies of the Bank or of such receiver under this Mortgage; and
- (c) (in the case of the Bank only) in connection with effecting any appointment of any receiver or administrator or in dealing with any appointment of, or notice of intention or application to appoint, any receiver or administrator by any party including the Mortgagor and without prejudice to any other right or process of recovering such costs,

and all such costs shall bear interest from the date such costs were incurred or suffered, computed and payable as provided in clauses 2 and 3, and pending payment, shall be secured hereby.

20.5 All costs awarded to the Bank or agreed to be paid to the Bank in any proceedings brought by the Mortgagor against the Bank shall bear interest from the date of such award or agreement computed and payable as provided in clauses 2 and 3 and, pending payment, shall be secured hereby.

21. NON-MERGER, ETC.

21.1 Nothing herein contained shall operate so as to merge or otherwise prejudice or affect any bill, note, guarantee, mortgage or other security or any contractual or other right which the Bank may at any time have for any of the Secured Obligations or any right or remedy of the Bank thereunder. Any receipt, release or discharge of the security provided by, or of any liability arising under, this Mortgage shall not release or discharge the Mortgagor from any liability to the Bank for the same or any other money which may exist independently of this Mortgage, nor shall it release or discharge the Mortgagor from any liability to the Bank under clause 16 and clause 20.

21.2 Where this Mortgage initially takes effect as a collateral or further security, then notwithstanding any receipt, release or discharge endorsed on or given in respect of the money and liabilities owing under

the principal security to which this Mortgage operates as a collateral or further security, this Mortgage shall, be an independent security for the Secured Obligations.

- 21.3 This Mortgage is in addition to and is not to prejudice or be prejudiced by any other security or securities now or hereafter held by the Bank.

22. TRANSFERS BY THE BANK OR THE MORTGAGOR

- 22.1 The Bank may freely and separately assign or transfer any of its rights under the Mortgage or otherwise grant an interest in any such rights to any person or persons. On request by the Bank, the Mortgagor shall immediately execute and deliver to the Bank any form of instrument required by the Bank to confirm or facilitate any such assignment or transfer or grant of interest.

- 22.2 The Mortgagor shall not assign or transfer any of the Mortgagor's rights or obligations under this Mortgage or enter into any transaction or arrangement which would result in any of those rights or obligations passing to or being held in trust for or for the benefit of another person.

23. PARTIAL INVALIDITY

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

24. RESTRICTION ON LIABILITY OF THE BANK

Except to the extent that any such exclusion is prohibited or rendered invalid by law, neither the Bank nor any receiver appointed by it nor their respective employees and agents shall:

- (a) be liable to account as a mortgagee in possession for any sums other than actual receipts;
- (b) be liable for any loss upon realisation of, or for any action, neglect or default of any nature whatsoever in connection with, any part of the Mortgaged Assets for which a mortgagee in possession might as such otherwise be liable;
- (c) be under any duty of care or other obligation of whatsoever description to the Mortgagor in relation to or in connection with the exercise of any right conferred upon the Bank, any receiver appointed by it and their respective employees and agents; or
- (d) be under any liability to the Mortgagor as a result of, or in consequence of, the exercise, or attempted or purported exercise, or failure to exercise, any of their respective rights.

25. CONCLUSIVE EVIDENCE

A certificate by an official of the Bank as to the Secured Obligations shall (save for manifest error) be binding and conclusive on the Mortgagor in any legal proceedings both in relation to the existence of the liability and as to the amount thereof.

26. CONTINUING SECURITY

This Mortgage shall continue to bind the Mortgagor as a continuing security for the Secured Obligations notwithstanding that the liabilities of the Mortgagor to the Bank may from time to time be reduced to nil.

27. NO RELIANCE ON THE BANK

- (a) The Mortgagor acknowledges to and agrees with the Bank that, in entering into this Mortgage and incurring the Secured Obligations:
 - (i) the Mortgagor has not relied on any oral or written statement, representation, advice, opinion or information made or given to the Mortgagor in good faith by the Bank or anybody on the Bank's behalf, and the Bank shall have no liability to the Mortgagor if the Mortgagor has in fact so done;

- (ii) the Mortgagor has made, independently of the Bank, the Mortgagor's own assessment of the viability and profitability of any purchase, project or purpose for which the Mortgagor has incurred the Secured Obligations, and the Bank shall have no liability to the Mortgagor if the Mortgagor has not in fact so done; and
 - (iii) there are no arrangements collateral or relating to this Mortgage which have not been recorded in writing and signed on behalf of the Bank and the Mortgagor.
- (b) The Mortgagor agrees with the Bank that the Bank did not have prior to the date of this Mortgage, does not have and will not have any duty to the Mortgagor:
 - (i) in respect of the application by the Mortgagor of the money hereby secured;
 - (ii) in respect of the effectiveness, appropriateness or adequacy of the security constituted by this Mortgage or of any other security for the Secured Obligations; or
 - (iii) to preserve the goodwill of any business carried on by the Mortgagor by running, or procuring the running of, such business or otherwise, either before or after the enforcement of this Mortgage.
- (c) The Mortgagor agrees with the Bank for itself and as trustee for its officials, employees and agents that neither the Bank nor its officials, employees or agents shall have any liability to the Mortgagor in respect of any act or omission by the Bank, its officials, employees or agents done or made in good faith.

28. MISCELLANEOUS

- 28.1 Any amendment of or supplement to any part of this Mortgage shall only be effective and binding on the Bank and the Mortgagor if made in writing and signed by both the Bank and the Mortgagor. References to "this security", or to "this Mortgage" include each such amendment and supplement.
- 28.2 The Mortgagor and the Bank shall from time to time amend the provisions of this Mortgage if the Bank notifies the Mortgagor that any amendments are required to ensure that this Mortgage reflects the market practice prevailing at the relevant time following the introduction or extension of economic and monetary union and/or the euro in all or any part of the European Union.
- 28.3 The Bank and the Mortgagor agree that the occurrence or non-occurrence of European economic and monetary union, any event or events associated with European economic and monetary union and/or the introduction of any new currency in all or any part of the European Union shall not result in the discharge, cancellation, rescission or termination in whole or in part of this Mortgage or give any party hereto the right to cancel, rescind, terminate or vary this Mortgage in whole or in part.
- 28.4 Any waiver, consent, receipt, settlement or release given by the Bank in relation to this Mortgage shall only be effective if given in writing and then only for the purpose for and upon any terms on which it is given.
- 28.5 For the purpose of exercising, assigning or transferring its rights under this Mortgage, the Bank may disclose to any person any information relating to the Mortgagor which the Bank has at any time.
- 28.6 The restriction on the right of consolidating mortgages contained in Section 93 of the Law of Property Act 1925 shall not apply to this Mortgage or any further or other security entered into pursuant to this Mortgage.
- 28.7 Any change in the constitution of the Bank or its absorption of or amalgamation with any other person shall not in any way prejudice or affect its or their rights under this Mortgage and the expression "Bank" shall include any such other person.
- 28.8 Unless and until the Bank shall have made demand for payment of any of the Secured Obligations or one of the other events mentioned in sub-clause 9.1 shall have occurred, the Bank shall not be entitled (except for the purposes mentioned in sub-clauses 11(h), 12.2(a) and 14(g)) to enter upon the Mortgaged Property or to obtain possession thereof.

- 28.9 The Bank shall be entitled to debit any account for the time being of the Mortgagor with the Bank with any sum falling due to the Bank under this Mortgage.
- 28.10 The power of the Bank to appoint an administrator in accordance with sub clause 9.1 shall arise where the security constituted by this Mortgage (together with any other security given by the Mortgagor to the Bank) satisfies any one or more of the provisions of sub paragraphs 14(3) (a), (b) or (c) of Schedule B1 to the Insolvency Act 1986.
- 28.11 This document shall at all times be the property of the Bank.
- 28.12 The Bank or its nominee shall only exercise the rights attached to any shares subject to this Mortgage in accordance with the Mortgagor's instructions, except where the Bank or its nominee is exercising such right for the purpose of preserving the value of the security hereby created or of realising it.
29. PRIOR MORTGAGE(S)
- 29.1 Any sale in exercise of the statutory or other powers and remedies may be made either subject to or discharged from all or any of the Prior Mortgage(s) and the Bank or any receiver appointed by it may settle and pass the accounts of any person or persons in whom all or any of the Prior Mortgage(s) may for the time being be vested and any account so settled and passed shall as between the Bank or any such receiver and the Mortgagor be deemed to be properly settled and passed and shall be binding on the Mortgagor accordingly.
- 29.2 If the person or persons entitled to the benefit of all or any of the Prior Mortgage(s) shall call in the money thereby secured or shall take any step to enforce all or any of the Prior Mortgage(s), the Bank or any receiver appointed by it may thereupon pay off all or any of the Prior Mortgage(s) and take a transfer of the benefit thereof, and the money so expended by the Bank or any such receiver and all costs of and incidental to the transaction incurred by the Bank or any such receiver shall be secured hereby and shall bear interest computed and payable as provided in clauses 2 and 3 from the date of the same having been expended.
- 29.3 The Mortgagor shall pay all sums when due and comply with all of the obligations under the Prior Mortgage(s).
- 29.4 The Mortgagor shall not (without obtaining the Bank's prior written consent) increase the principal amount secured by the Prior Mortgage(s) in priority to this Mortgage.
30. LAW AND JURISDICTION
- 30.1 This Mortgage and any dispute (whether contractual or non-contractual, including, without limitation, claims in tort, for breach of statutory duty or on any other basis) arising out of or in connection with it or its subject matter ("Dispute") shall be governed by and construed in accordance with the law of England and Wales.
- 30.2 The parties to this agreement irrevocably agree, for the sole benefit of the Bank, that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any Dispute. Nothing in this clause shall limit the right of the Bank to take proceedings against the Mortgagor in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

IN WITNESS whereof the Mortgagor has executed this Mortgage as a deed and has delivered it upon its being dated.

THE FIRST SCHEDULE**THE MORTGAGED PROPERTY**

The property known as or being	Title No(s).
The Old Church Hotel, Watermillock, Penrith, CA11 0JN, land lying to the south east of Knotts Farm, Watermillock, Penrith (CA11 0JN) and land associated with Leeming Farm, Watermillock, Penrith	CU225850, CU227824 and CU226094

Including the entirety of the property comprised in the document(s) particulars of which are set out below.

Date	Description (Conveyance, Lease, Assignment, Assent etc)	Parties

THE SECOND SCHEDULE**THE PRIOR MORTGAGE(S)**

Date of prior mortgage(s) or charge(s)	Parties

Use this execution clause if the Mortgagor is a Limited Liability Partnership

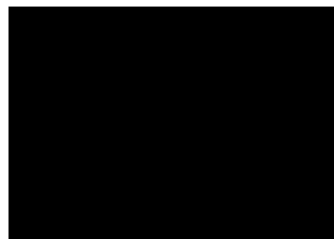
Signed as a deed by

J & S BROOKSBANK LLP

Acting by

A large black rectangular redaction box covering the signature of the first member.

Member

A large black rectangular redaction box covering the signature of the second member.

Member

NB:- NOT TO BE USED FOR REGISTERED CHARGES

Date (day, month, year)

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Signed as a deed by

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The within-named LLOYDS BANK PLC (hereinafter called the "Bank") hereby releases ALL AND SINGULAR the assets, property and rights now comprised in or mortgaged, charged or assigned by the within-written Mortgage from the security herein contained, to the intent that the same shall henceforth be held free from the said security and from all claims and demands under the within-written Mortgage.

PROVIDED THAT this release shall not discharge the within-written Mortgagor from any liability to the Bank remaining to be paid or any other security held by the Bank.

IN WITNESS whereof the Bank has executed this instrument as a deed and has delivered it upon its being dated.

Signature

--

As attorney for and on behalf of Lloyds Bank plc, in the presence of:

Witness' name

--

Witness' signature

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