



Registration of a Charge

Company name: **ROSE TOR HOTEL LIMITED**

Company number: **09898216**



X7A3594B

Received for Electronic Filing: **13/07/2018**

Details of Charge

Date of creation: **13/07/2018**

Charge code: **0989 8216 0005**

Persons entitled: **FUNDINGSECURE LTD**

Brief description: **15 LIDDELL DRIVE, CRAIG Y DON, LLANDUDNO, LL30 1UH**

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: **SHEENA TAYLOR**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9898216

Charge code: 0989 8216 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 13th July 2018 and created by ROSE TOR HOTEL LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 13th July 2018 .

Given at Companies House, Cardiff on 17th July 2018

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**

DATED

13 July 2018

LEGAL MORTGAGE

between

ROSE TOR HOTEL LIMITED

and

FUNDINGSECURE LTD

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THIS DEED is dated

13 July

2018

PARTIES

ROSE TOR HOTEL LIMITED, registered in England with company number 09898216 and whose registered office is at 148 Bury New Road, MANCHESTER, M45 6AD (**Borrower**).

FUNDINGSECURE LTD incorporated and registered in England and Wales with company number 08120200 whose registered address is at Unit 8 Stokenchurch Business Park, Ibstone Road, Stokenchurch, Buckinghamshire, HP14 3FE acting as agent and trustee for the Creditors (**Lender**).

BACKGROUND

The Lender has agreed to provide the Borrower with loan facilities on a secured basis.

The Borrower owns the Property.

Under this deed, the Borrower provides security to the Lender for all its present and future obligations and liabilities to the Lender.

AGREED TERMS

DEFINITIONS AND INTERPRETATION

Definitions

The following definitions apply in this deed:

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.

Charged Property: all the assets, property and undertaking for the time being subject to any Security created by this deed (and references to the Charged Property shall include references to any part of it).

Creditors: means those persons who have registered as savers on Lender's website and have invested in any of the loans advanced to the Borrower.

Default Rate: 6% per annum above the then highest rate of interest applicable to the Secured Liabilities.

Delegate: any person appointed by the Lender or any Receiver under clause 14 and any person appointed as attorney of the Lender, Receiver or Delegate.

Environment: 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: all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment.

Environmental Licence: any authorisation, permit or licence necessary under Environmental Law in respect of any of the Charged Property.

Insurance Policy: each contract or policy of insurance effected or maintained by the Borrower from time to time in respect of the Property.

LPA 1925: the Law of Property Act 1925.

Property: the property described in Schedule 1.

Receiver: a receiver or a receiver and manager of any or all of the Charged Property.

Rent: all amounts payable to or for the benefit of the Borrower by way of rent, licence fee, ground rent and rent charge in respect of all or any part of the Property and other monies payable to or for the benefit of the Borrower in respect of occupation or usage of all or any part of the Property, including (without limitation) for display of advertisements on licence or otherwise.

Secured Liabilities: 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, together with all interest (including, without limitation, default interest) accruing in respect of those obligations or liabilities.

Security: any mortgage, charge (whether fixed or floating, legal or equitable),

pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.

Security Period: the period starting on the date of this deed and ending on the date on which the Lender is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being or becoming outstanding.

Valuation: any valuation of the Property supplied to the Lender.

VAT: value added tax pursuant to the Value Added Tax Act 1994 (as amended).

Interpretation

In this deed:

clause and Schedule headings shall not affect the interpretation of this deed;

a reference to a **person** shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality) and that person's personal representatives, successors, permitted assigns and permitted transferees;

unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;

unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;

a reference to a party shall include that party's successors, permitted assigns and permitted transferees;

a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;

a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;

a reference to **writing** or **written** includes fax but not e-mail;

an obligation on a party not to do something includes an obligation not to allow that thing to be done;

a reference to **this deed** (or any provision of it) or to any other agreement or document referred to in this deed is a reference to this deed, that provision or such other agreement or document as amended, supplemented, replaced, amended, varied or restated (however fundamentally but in each case, other than in breach of the provisions of this deed) from time to time;

unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this deed;

any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;

a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and **amended** shall be construed accordingly);

a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;

a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;

a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it; and

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.

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 or administration of the Borrower or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this deed.

Nature of security over real property

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

- all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) and fixed plant and machinery that are situated on or form part of the Property at any time;
- the proceeds of the sale of any part of the Property and any other monies paid or payable in respect of or in connection with the Property;
- the benefit of any covenants for title given, or entered into, by any predecessor in title of the Borrower in respect of the Property and any monies paid or payable in respect of those covenants; and
- all rights under any licence, agreement for sale or agreement for lease in respect of the Property.

Law of Property (Miscellaneous Provisions) Act 1989

For the purposes of section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of all of the documents relating to the Secured Liabilities are incorporated into this deed.

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).

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.

COVENANT TO PAY

The Borrower covenants with the Lender to pay and discharge the Secured Liabilities when they become due for payment and discharge.

GRANT OF SECURITY

Legal mortgage and fixed charges

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

by way of first legal mortgage, the Property and all fixtures thereon; and

by way of first fixed charge:

all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy, the Rent and the benefit of any guarantee or security in respect of the Rent to the extent not effectively assigned under clause 3.2;

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);

all authorisations (statutory or otherwise) held or required in connection with the Borrower's business carried on at the Property or the use of any Charged Property, and all rights in connection with them;

to the extent that the creation of the legal mortgage referred to in clause 3.1(a) is ineffective, the Property; and

the proceeds of sale of any Charged Property.

Assignment

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

all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy; and

the Rent and the benefit of any guarantee or security in respect of the Rent.

provided that nothing in this clause 3.2 shall constitute the Lender as mortgagee in possession. The Borrower shall remain liable to perform all its obligations under each Insurance Policy and under each agreement pursuant to which Rent is payable to the Borrower.

PERFECTION OF SECURITY

Registration of legal mortgage at the Land Registry

The Borrower 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 if 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

in favour of FundingSecure Ltd referred to in the Charges Register.”

The Borrower confirms that so far as any of the Charged Property is unregistered, such land is not affected by any disclosable overriding interests within the meaning of the Land Registration Act 2002 or the Land Registration Rules 2003.

Further advances

To the extent that the Lender is or becomes obliged to make further advances to the Borrower, the security created by this deed has been made for securing such further advances. The Lender and the Borrower hereby consent to an application being made to the Land Registry to enter a note of such obligation on the register of title to all present and future registered property of the Borrower comprised within the Charged Property (and any unregistered properties subject to compulsory first registration at

the date of this deed).

Notices

If any notice (whether agreed or unilateral) is registered against the Borrower's title to the Property, the Borrower shall immediately provide the Lender with full particulars of the circumstances relating to such notice. If such notice was registered to protect a purported interest the creation of which is not permitted under this deed, the Borrower shall immediately, and at its own expense, take such steps as the Lender may require to ensure that the notice is withdrawn or cancelled.

LIABILITY OF THE BORROWER

Liability not discharged

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

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;

the Lender renewing, determining, varying or increasing the Secured Liabilities 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

any other act or omission that, but for this clause 5.1, might have discharged, or otherwise prejudiced or affected, the liability of the Borrower.

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.

REPRESENTATIONS AND WARRANTIES

Times for making representations and warranties

The Borrower makes the representations and warranties set out in this clause 6 to the Lender on the date of this deed and are deemed to be repeated on each day of the Security Period with reference to the facts and circumstances existing at the time of repetition.

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.

No Security

The Charged Property is free from any Security other than the Security created by this deed.

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.

No adverse covenants

There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatever that materially and adversely affect the Charged Property or its value.

No breach of laws

There is no breach of any law or regulation that materially and adversely affects the Charged Property.

No interference in enjoyment

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.

No overriding interests

Nothing has arisen, has been created or is subsisting that would be an overriding interest in respect of the Property.

No prohibitions or breaches

There is no prohibition on the Borrower assigning its rights in any of the Charged Property referred to in clause 3.2 and the entry into of this deed by the Borrower does not and will not constitute a breach of any policy, agreement, document, instrument or obligation binding on the Borrower or its assets.

Environmental compliance

The Borrower has, at all times, complied in all respects with all applicable Environmental Law and Environmental Licences.

Information for Valuations

All written information supplied by the Borrower or on its behalf for the purpose of each Valuation was true and accurate in all respects at its date or at the date (if any) on which it was stated to be given.

The information referred to in clause 6.11(a) was, at its date or at the date (if any) on which it was stated to be given, complete and the Borrower did not omit to supply any information that, if disclosed, would adversely affect the relevant Valuation.

Nothing has occurred since the date the information referred to in clause 6.11(a) was supplied and the date of this deed which would adversely affect that Valuation.

Avoidance of security

No Security expressed to be created under this deed is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Borrower or otherwise.

Binding obligations

The Borrower's obligations under this deed are legal, valid, binding and enforceable; and

This deed creates:

valid, legally binding and enforceable Security for the obligations expressed to be secured by it; and

subject to registration pursuant to Part 25 of the Companies Act 2006 and, in the case of real property, registration at the Land Registry, perfected Security over the assets referred to in this deed,

in favour of the Lender, having the priority and ranking expressed to be created by this deed and ranking ahead of all (if any) Security and rights of third parties, except those mandatorily preferred by law.

Registration

It is not necessary to file, record or enrol this deed (other than at Companies House or the Land Registry) with any court or other authority or pay any stamp, registration or similar taxes in relation to this deed or the transactions contemplated by it.

GENERAL COVENANTS

Negative pledge and disposal restrictions

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

create, purport to create or permit to subsist any Security on, or in relation to, any Charged Property or enter into any preferential arrangement having a similar effect other than any Security created by this deed or any Security to which the Lender has given its prior written consent;

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

create or grant (or purport to create or grant) any interest in the Charged Property in favour of any third party.

Preservation of Charged Property

The Borrower shall not do, or permit to be done, any act or thing that 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.

Compliance with laws and regulations

The Borrower shall not, without the Lender's prior written consent, use or permit the Charged Property to be used in any way contrary to applicable law.

The Borrower shall:

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

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 by it under any law or regulation.

Enforcement of rights

The Borrower shall use its best endeavours to:

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

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.

Notice of misrepresentations and breaches

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

any representation or warranty given by the Borrower to the Lender that is incorrect or misleading in any respect when made or deemed to be repeated; and

any breach of any covenant set out in this deed.

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:

all deeds and documents of title relating to the Charged Property that are in the possession or control of the Borrower (and if these are not within the possession and/or control of the Borrower, the Borrower undertakes to obtain possession of all these deeds and documents of title);

each Insurance Policy.

deposit with the Lender at any time after the date of this deed any further deeds, certificates and other documents constituting or evidencing title to the Charged Property, promptly upon coming into possession of them (or otherwise procure that any such deeds, certificates and other documents are held to the order of the Lender on terms acceptable to the Lender).

Notices to be given by the Borrower

The Borrower shall give notice in the form specified in part 1 (Form of notice of assignment) of Schedule 2 to each insurer under each Insurance Policy that the Borrower has assigned to the Lender all its right, title and interest in that Insurance Policy.

The Borrower shall use reasonable endeavours to procure that the recipient of each notice referred to in clause 7.7(a) acknowledges that notice in substantially the form specified in part 2 (Form of acknowledgement) of Schedule 2 within 5 Business Days of that notice being given.

The Borrower shall give the notices referred to in clause 7.7(a):

in the case of each Insurance Policy subsisting at the date of this deed, on the date of this deed; and

in the case of each Insurance Policy coming into existence after the date of this deed, on that Insurance Policy being put on risk.

The Borrower shall give notice in the form specified in part 1 (Form of notice of assignment) of Schedule 3 to each tenant of all or any part of the Property that the Borrower has assigned to the Lender all its right, title and interest in and to the Rent.

The Borrower shall use reasonable endeavours to procure that the recipient of each notice referred to in clause 7.7(d) acknowledges that notice in substantially the form specified in part 2 (Form of acknowledgement) of Schedule 3 within 5 Business Days of that notice being given.

The Borrower shall give the notices referred to in clause 7.7(d):

in the case of each agreement for lease or licence or any occupational lease or licence to which the Property is subject as at the date of this deed, on the date of this deed; and

in the case of each agreement for lease or licence or any occupational lease or licence to which the Property may be subject after the date of this deed, on the date of such agreement for lease or licence or any occupational lease or licence.

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).

Notification of default

The Borrower shall notify the Lender of any breach of the terms of this deed or other document setting out the terms of the Secured Liabilities or event or circumstance which would, on the expiry of any grace period, the giving of notice, the making of any determination, satisfaction of any other condition or any combination thereof, constitute a breach of this deed or other document setting out the terms of the Secured Liabilities (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

Authorisations

The Borrower shall promptly obtain all consents and authorisations necessary (and do all that is needed to maintain them in full force and effect) under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under this deed and to ensure the legality, validity, enforceability and admissibility in evidence of this deed in its jurisdiction of incorporation.

Change of business

The Borrower shall not make any substantial change to the nature or scope of its business as carried out on the date of this deed.

PROPERTY COVENANTS

Repair and maintenance

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; and

such repair and condition as to enable the Property to be let in accordance with all applicable laws and regulations.

For the purpose of clause 8.1(a)(ii), a law or regulation is applicable if it is either in force or it is expected to come into force and a prudent property owner in the same business as the Borrower would ensure that the premises, and fixtures and fittings on the Property, were in such repair and condition in anticipation of that law or regulation coming into force.

No alterations

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

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

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 clause 8.1)

provided that the Lender has consented to the construction of the dwellings in the course of construction at the Property at the date hereof.

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.

Development restrictions

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

make or, in so far as it is able, permit others to make any application for planning permission or development consent in respect of the Property; or

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.

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:

be paid immediately to the Lender

if they are not paid directly to the Lender by the insurers, be held, pending such payment, by the Borrower as trustee of the same for the benefit of the Lender; and

at the option of the Lender, be applied in making good or recouping expenditure in respect of the loss or damage for which those monies are received or in, or towards, discharge or reduction of the Secured Liabilities.

Leases and licences affecting the Property

The Borrower shall not, without the prior written consent of the Lender (which consent, in the case of clause 8.5(d) only, is not to be unreasonably withheld or

delayed in circumstances in which the Borrower may not unreasonably withhold or delay its consent):

grant any licence or tenancy 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 tenancy, or agree to exercise the statutory powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925);

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);

let any person into occupation of or share occupation of the whole or any part of the Property; or

grant any consent or licence under any lease or licence affecting the Property.

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.

Proprietary rights

The Borrower shall procure 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.

Compliance with and enforcement of covenants

The Borrower shall:

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

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.

Notices or claims relating to the Property

The Borrower shall:

give full particulars to the Lender of any notice, order, direction, designation, resolution, application, requirement or proposal given or made by any public or local body or authority (a **Notice**) that specifically applies to the Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Notice; and

(if the Lender 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, any objections or representations in respect of that Notice that the Lender thinks fit.

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

Payment of outgoings

The Borrower shall 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.

Rent reviews

The Borrower 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.

Environment

The Borrower shall in respect of the Property:

comply with all the requirements of Environmental Law; and

obtain and comply with all Environmental Licences.

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.

VAT option to tax

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

exercise any VAT option to tax in relation to the Property; or

revoke any VAT option to tax exercised, and disclosed to the Lender in writing, before the date of this deed.

POWERS OF THE LENDER

Power to remedy

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

Any monies expended by the Lender in remedying a breach by the Borrower of its 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 16.1.

In remedying any breach in accordance with this clause 9.1, the Lender, its agents and their respective officers, agents and employees shall be entitled to enter onto the Property and to take any action as the Lender may reasonably consider necessary or desirable including, without limitation, carrying out any repairs, other works or development.

Exercise of rights

The rights of the Lender under clause 9.1 are without prejudice to any other rights of the Lender under this deed. The exercise of any rights of the Lender under this deed shall not make the Lender liable to account as a mortgagee in possession.

Lender has Receiver's powers

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

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 it under this deed (including the proceeds of any previous conversion under this clause 9.4) from their existing currencies of denomination into any other currencies of denomination that the Lender may think fit.

Any such conversion shall be effected at the then prevailing spot selling rate of exchange for such other currency against the existing currency.

Each reference in this clause 9.4 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

New accounts

If the Lender receives, or is deemed to have received, notice of any subsequent Security or other interest, affecting all or part of the Charged Property, the Lender may open a new account for the Borrower in the Lender's books. Without prejudice to the Lender's right to combine accounts, no money paid to the credit of the Borrower in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.

If the Lender does not open a new account immediately on receipt of the notice, or deemed notice, referred to in clause 9.5(a), then, unless the Lender gives express written notice to the contrary to the Borrower, 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, as from the time of receipt or deemed receipt of the relevant notice by the Lender.

Lender's set-off rights

If the Lender has more than one account for the Borrower in its books, the Lender may at any time after:

the security constituted by this deed has become enforceable; or

the Lender has received, or is deemed to have received, notice of any subsequent Security 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 to any other account that may be in debit. After making any such transfer, the Lender shall notify the Borrower of that transfer.

Indulgence

No failure to exercise, nor any delay in exercising, on the part of the Lender or any Receiver or Delegate, any right or remedy under this deed shall operate as a waiver or any such right or remedy or constitute an election to affirm this deed. No election to affirm this deed on the part of the Lender or any Receiver or Delegate shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this deed are cumulative and not exclusive of any rights or remedies provided by law. A waiver given or consent granted by the Lender or any Receiver or Delegate under this deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

WHEN SECURITY BECOMES ENFORCEABLE

Security becomes enforceable on Secured Liabilities becoming due

The security constituted by this deed shall be immediately enforceable upon:

- (a) the Secured Liabilities (or any of them) being cancelled; and/or

- (b) the Secured Liabilities (or any of them) being declared to be immediately due and payable; and/or
- (c) the Secured Liabilities (or any of them) are declared to be payable on demand.

Discretion

After the security constituted by this deed has become enforceable, the Lender may, in its absolute discretion:

enforce all or any part of that security at the times, in the manner and on the terms it (in its sole discretion) thinks fit, and take possession of and hold or dispose of all or any part of the Charged Property;

exercise its rights and powers conferred upon mortgagees by the LPA 1925, as varied and extended by this deed, and rights and powers conferred on a Receiver by this deed, whether or not it has taken possession or appointed a Receiver to any of the Charged Property;

appoint a Receiver to all or any part of the Charged Property; or

exercise its power of sale under section 101 of the LPA 1925 (as amended by this deed).

ENFORCEMENT OF SECURITY

Enforcement powers

For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this deed.

The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this deed) shall, as between the Lender and a purchaser from the Lender, arise on and be exercisable at any time after the execution of this deed, but the Lender shall not exercise such power of sale or other powers until the security constituted by this deed has become enforceable under clause 10.1.

Section 103 of the LPA 1925 does not apply to the security constituted by this deed.

Each Receiver, Delegate and the Lender is entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 and the Insolvency Act 1986 on mortgagees and Receivers.

If the Lender enforces the Security constituted by or under this deed at a time when no amounts are due to the Lender but at a time when amounts may or will become so due, the Lender (or Receiver) may pay the proceeds of any recoveries effected by it into an interest bearing suspense account.

Extension of statutory powers of leasing

The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and 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:

grant a lease or agreement for lease;

accept surrenders of leases; or

grant any option in respect of the whole or any part of the Property with whatever rights relating to other parts of it,

whether or not at a premium and containing such covenants on the part of the 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 thinks fit, without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

Prior Security

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

redeem that or any other prior Security;

procure the transfer of that Security to itself; and

settle any account of the holder of any prior Security.

The settlement of any such account shall be, in the absence of any manifest error,

conclusive and binding on the Borrower. 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 on current account and shall bear interest and be secured as part of the Secured Liabilities.

Protection of third parties

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

whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;

whether any Secured Liabilities or other monies remain outstanding;

whether any power the Lender, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable;

how any money paid to the Lender, any Receiver or any Delegate is to be applied; or

the status, propriety or validity of the acts of the Receiver or Lender.

The receipt of the Lender or any Receiver shall be an absolute and a conclusive discharge to a purchaser and shall relieve him of any obligation to see to the application of any monies paid to or by the direction of the Lender or any Receiver.

In Clauses 11.4(a) and 11.4(b) **purchaser** includes any person acquiring, for money or monies worth, any lease of, or Security over, or any other interest or right whatsoever in relation to, the Charged Property or any of it.

Privileges

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

No liability as mortgagee in possession

Neither the Lender, any Receiver nor any Delegate 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 on realisation of, or for any neglect or default of any nature in connection with, all or any of the Charged Property for which a mortgagee in possession might be liable as such.

Relinquishing possession

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

Conclusive discharge to purchasers

The receipt of the Lender or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Charged Property or in making any acquisition in the exercise of their respective powers, the Lender, every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he thinks fit.

RECEIVERS

Appointment

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, appoint by way of deed, or otherwise in writing, any one or more person or persons to be a Receiver of all or any part of the Charged Property as envisaged by clause 10.2(c).

At any time, if so requested in writing by the Borrower, without further notice, the Lender may appoint a Receiver to all or any part of the Charged Property as if the Lender had become entitled under the LPA 1925 to exercise the power of sale conferred under the LPA 1925.

Removal

The Lender may, without further notice (subject to section 45 of the Insolvency Act 1986), from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

Remuneration

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 be a debt secured by this deed, to the extent not otherwise discharged.

Power of appointment additional to statutory powers

The power to appoint a Receiver conferred by this deed shall be in addition to all statutory and other powers of the Lender under the 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.

Power of appointment exercisable despite prior appointments

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

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 the acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver and the Borrower shall be liable on any contracts or engagements made or entered into by him. The agency of each Receiver shall continue until the Borrower goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Lender. The Lender shall not be in any way responsible for any misconduct, negligence or default of the Receiver or any Delegate.

POWERS OF RECEIVER

Powers additional to statutory powers

Any Receiver appointed by the Lender under this deed shall, in addition to the powers conferred on him by statute, have the powers set out in clause 13.2 to clause 13.21.

If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this deed or under the Insolvency Act 1986 individually and to the exclusion of any other Receiver.

Any exercise by a Receiver of any of the powers given by clause 13 may be on behalf of the Borrower, the directors of the Borrower or himself.

A Receiver of the Borrower has all the rights, powers and discretions of an administrative receiver under the Insolvency Act 1986.

A Receiver may, in the name of the Borrower:

do all other acts and things which he may consider expedient for realising any Charged Property; and

exercise in relation to any Charged Property all the powers, authorities and things which he would be capable of exercising if he were its absolute beneficial owner.

Repair and develop the Property

A Receiver may undertake or complete any works of maintenance, repair, alteration, building or development on the Property and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same.

Grant or accept surrenders of leases

A Receiver may grant, or accept surrenders of, any leases or tenancies affecting the Property on any terms and subject to any conditions that he thinks fit.

Employ personnel and advisers

A Receiver may provide services and employ, or engage, any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that he thinks fit. A Receiver may discharge any such person or any such person appointed by the Borrower.

Make and revoke VAT options to tax

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

Charge for remuneration

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

Realise Charged Property

A Receiver may collect and get in the Charged Property or any part of it in respect of which he is appointed and make any demands and take any proceedings as may seem expedient for that purpose, and take possession of the Charged Property with like rights.

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 carried out at the Property.

Dispose of Charged Property

A Receiver may grant options and licences over all or any part of the Charged Property, grant any other interest or right over, sell, assign or lease (or concur in granting options and licences over all or any part of the Charged Property, granting any other interest or right over, selling, assigning or leasing) all or any of the Charged Property in respect of which he is appointed for such consideration and in such manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions that he thinks fit. A Receiver may promote, or concur in promoting, a company to purchase the Charged Property to be disposed of by him. The consideration for any such transaction may consist of cash, debenture or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over such period as he thinks fit.

Sever fixtures and fittings

A Receiver may sever and sell separately any fixtures or fittings from the Property without the consent of the Borrower.

Give valid receipts

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

Make settlements

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person.

Bring proceedings

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Charged Property that he thinks fit (including, where required, in the name of the Borrower).

Insure

A Receiver may, if he thinks fit, but without prejudice to the indemnity in clause 16.2, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Borrower under this deed.

Powers under LPA 1925

A Receiver may exercise all powers provided for in the LPA 1925 in the same way as if he had been duly appointed under the LPA 1925 and exercise all powers provided for an administrative receiver in Schedule 1 to the Insolvency Act 1986.

Borrow

A Receiver may, for any of the purposes authorised by this clause 13, raise or borrow money by borrowing from the Lender (or from any other person) either unsecured or

on the security of all or any of the Charged Property in respect of which he is appointed on any terms that he thinks fit (including, if the Lender consents, terms under which that Security ranks in priority to this deed). No person lending that money need enquire as to the propriety or purpose of the exercise of that power or to check the application of any money so raised or borrowed.

Redeem prior Security

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

Delegation

A Receiver may delegate his powers in accordance with this deed.

Landlord's obligations

A Receiver may on behalf of the Borrower and without consent of or notice to the Borrower exercise all the powers conferred on a landlord or a tenant by any legislation from time to time in force in any relevant jurisdiction relating to rents or agriculture in respect of any part of the Charged Property.

Absolute beneficial owner

A Receiver may, in relation to any of the Charged Property, exercise all powers, authorisations and rights he would be capable of exercising, and do all those acts and things, as an absolute beneficial owner could exercise or do in the ownership and management of the Charged Property or any part of the Charged Property.

Incidental powers

A Receiver may do any other acts and things:

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

that 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

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

DELEGATION

Delegation

The Lender or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this deed (including the power of attorney granted under clause 18.1).

Terms

The Lender and each Receiver may make a delegation on the terms and conditions (including the power to sub-delegate) that it thinks fit.

Liability

Neither the Lender nor any Receiver shall be in any way liable or responsible to the Borrower for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

APPLICATION OF PROCEEDS

Order of application of proceeds

All monies received by the Lender, a Receiver or a Delegate under this deed after the security constituted by this deed has become enforceable (other than sums received under 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:

in or towards payment of or provision for all costs, charges and expenses incurred

by or on behalf of the Lender (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this deed and of all remuneration due to any Receiver under or in connection with this deed;

in or towards payment of or provision for the Secured Liabilities in any order and manner that the Lender determines; and

in payment of the surplus (if any) to the Borrower or other person entitled to it.

Appropriation

Neither the Lender, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities. Section 109(6) of the LPA 1925 shall not apply to a Receiver appointed under this deed.

Suspense account

All monies received by the Lender, a Receiver or a Delegate under this deed (other than sums received under any Insurance Policy that are not going to be applied in or towards discharge of the Secured Liabilities):

may, at the discretion of the Lender, Receiver or Delegate, be credited to any suspense or securities realised account;

shall bear interest, if any, at the rate agreed in writing between the Lender and the Borrower from time to time; and

may be held in that account for so long as the Lender, Receiver or Delegate thinks fit.

COSTS AND INDEMNITY

Costs

The Borrower shall, promptly on demand, pay to, or reimburse, the Lender and any Receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Lender, any Receiver or any Delegate in connection with:

this deed or the Charged Property;

taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lender's, a Receiver's or a Delegate's rights under this deed; or

taking proceedings for, or recovering, any of the Secured Liabilities,

together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost or expense arose until full discharge of that cost or expense (whether before or after judgment, liquidation, winding-up or administration of the Borrower) at the Default Rate.

Indemnity

The Borrower shall indemnify the Lender, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:

the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this deed or by law in respect of the Charged Property;

taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this deed; or

any default or delay by the Borrower in performing any of its obligations under this deed.

Any past or present employee or agent may enforce the terms of this clause 16.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

FURTHER ASSURANCE

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

creating, perfecting or protecting the Security intended to be created by this deed;

facilitating the realisation of any of the Charged Property; or

facilitating the exercise of any right, power, authority or discretion exercisable by the Lender or any Receiver in respect of any of the Charged Property,

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

POWER OF ATTORNEY

Appointment of attorneys

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

the Borrower is required to execute and do under this deed; or

any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this deed or by law on the Lender, any Receiver or any Delegate.

Ratification of acts of attorneys

The Borrower ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in clause 18.1.

RELEASE

Subject to clause 26.3, on 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; and
reassign the Charged Property to the Borrower.

ASSIGNMENT AND TRANSFER

Assignment by Lender

At any time, without the consent of the Borrower, the Lender may assign or otherwise transfer any or all of its rights and obligations under this deed.

The Lender may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Borrower, the Charged Property and this deed that the Lender considers appropriate.

Assignment by Borrower

The Borrower may not assign any of its rights, or transfer any of its rights or obligations, under this deed.

SET-OFF

Lender's right of set-off

The Lender may set off any matured obligation due from the Borrower under this deed (to the extent beneficially owned by the Lender) against any matured obligation owed by the Lender to the Borrower, regardless of the place of payment, booking branch or currency of either obligation. If the liabilities to be set off are expressed in different currencies, the Lender may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Lender of its rights under this clause 21.1 shall not limit or affect any other rights or remedies available to it under this deed or otherwise.

No obligation to set off

The Lender is not obliged to exercise its rights under clause 21.1. If, however, it does exercise those rights it must promptly notify the Borrower of the set-off that has been made.

AMENDMENTS, WAIVERS AND CONSENTS

Amendments

No amendment of this deed shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

Waivers and consents

A waiver of any right or remedy under this deed or by law, or any consent given under this deed, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.

A failure to exercise or a delay in exercising any right or remedy provided under this deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this deed. No single or partial exercise of any right or remedy provided under this deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this deed by the Lender shall be effective unless it is in writing.

Rights and remedies

The rights and remedies provided under this deed are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

SEVERANCE

If any provision (or part of a provision) of this deed is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this deed.

COUNTERPARTS

This deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.

Transmission of an executed counterpart of this deed (but for the avoidance of doubt not just a signature page) by fax or e-mail (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this deed. If either method of delivery is adopted, without prejudice to the validity of the deed thus made, each party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.

No counterpart shall be effective until each party has executed and delivered at least one counterpart.

THIRD PARTY RIGHTS

Except as expressly provided elsewhere in this deed, a person who is not a party to this deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

The rights of the parties to rescind or agree any amendment or waiver under this deed are not subject to the consent of any other person.

FURTHER PROVISIONS

Independent security

The security constituted by this deed shall be in addition to, and independent of, any other security or guarantee that 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.

Continuing security

The security constituted by this deed shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Lender discharges this deed in writing.

Discharge conditional

If the Lender believes that any amount paid by the Borrower or any other person in respect of the Secured Liabilities is capable of being avoided or set aside for any reason, then for the purposes of this deed, such amount shall not be considered to have been paid.

Any settlement, discharge or release between the Borrower and the Lender shall be conditional upon no Security or payment to or for the Lender by the Borrower or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any law relating to bankruptcy, insolvency or liquidation or otherwise.

Certificates

A certificate or determination by the Lender as to any amount for the time being due to it from the Borrower under this deed shall be, in the absence of any manifest error, conclusive evidence of the amount due.

Consolidation

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

NOTICES

Delivery

Any notice or other communication given to a party under or in connection with this deed shall be:

in writing;

delivered by hand, by pre-paid first-class post or other next Business Day delivery service or sent by fax; and

sent to the Borrower or the Lender at their respective registered offices:

or to any other address or fax number as is notified in writing by one party to the other from time to time.

Receipt by Borrower

Any notice or other communication that the Lender gives to the Borrower shall be deemed to have been received:

if delivered by hand, at the time it is left at the relevant address;

if posted by pre-paid first-class post or other next Business Day delivery service, on the second Business Day after posting; and

if sent by fax, when received in legible form.

A notice or other communication given as described in clause 27.2(a) or clause 27.2(c) on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

Receipt by Lender

Any notice or other communication given to the Lender shall be deemed to have been received only on actual receipt.

Service of proceedings

This clause 27 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

No notice by e-mail

A notice or other communication given under or in connection with this deed is not valid if sent by e-mail.

GOVERNING LAW AND JURISDICTION**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 laws of England.

Jurisdiction

Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this deed or its subject matter or formation (including non-contractual disputes or claims). 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.

Other service

The Borrower irrevocably consents to any process in any legal action or proceedings under clause 28.2 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.

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

1 - Property

TheFreeholdland known as 15 Liddell Drive, Llandudno, LL30 1UHand registered at the Land Registry with title number CYM672803.

– Insurance Policies – form of notice of assignment

To: [insurer]

Dated: []

Dear Sirs

The insurance policies described in the attached schedule (Relevant Policies)

We hereby notify you that we have assigned to FundingSecure Ltd (UK company number: 08120200) (Lender) as Lender all our right, title and interest in and to the Relevant Policies.

We hereby irrevocably and unconditionally authorise and instruct you:

- 1 without notice or reference to or further authority from us and without enquiring as to the justification or the validity of those instructions, to comply only with any instructions from time to time received by you from the Lender relating to the Relevant Policies (or any of them); and
- 2 to pay all sums payable by you under the Relevant Policies (or any of them) into our account at:

Bank: ♦

Account number: ♦

Sort code: ♦

or such other account as the Lender may specify from time to time.

Please sign and return the acknowledgement attached to one enclosed copy of this notice to the Lender and the other copy to us.

The provisions of this notice (and any non-contractual obligations arising out of it or in connection with it) are governed by English law.

Yours faithfully

.....
for and on behalf of
Rose Tor Hotel Limited

Schedule

Date of policy	Insured	Policy type	Policy number
◆	◆	◆	◆

[Attach form of acknowledgment]

– Insurance Policies – form of acknowledgement of notice

To: FundingSecure Ltd
Unit 8 Stokenchurch Business Park, Ibstone Road, Stokenchurch, Buckinghamshire,
HP14 3FE

Rose Tor Hotel Limited(**Borrower**)
148 Bury New Road, MANCHESTER, M45 6AD

From: [insurer]

We acknowledge receipt of the notice of assignment (**Notice**) of which the enclosed is a duplicate. Terms defined in the Notice shall have the same meaning when used in this acknowledgement. We confirm that:

- 1 there has been no amendment, waiver or release of any rights or interests in any Relevant Policy since the date of such policy;
- 2 we have noted the Lender's interest as mortgagee and first loss payee on each Relevant Policy;
- 3 we will not agree to any amendment, waiver or release of any provision of any Relevant Policy without the prior written consent of the Lender;
- 4 we shall act in accordance with the Notice;
- 5 as at the date of this acknowledgement we have not received any notice of assignment or charge of the Borrower's interest in any Relevant Policy or the proceeds of any Relevant Policy in favour of any other person; and
- 6 we do not have and have not claimed or exercised any right or claim against the Borrower or exercised or attempted to exercise any right of set-off, counterclaim or other right relating to any Relevant Policy.

The provisions of this acknowledgement (and any non-contractual obligations arising out of it or in connection with it) are governed by English law.

For and on behalf of
[insurance company]

– Form of notice to tenants

To: [Tenant]

Dated: ♦

Dear Sirs

The lease described in the attached Schedule (the Lease)

We hereby notify you that we have assigned to FundingSecure Ltd (UK company number: 08120200) (**Lender**) all our right, title and interest in and to the Lease (including all rental income and other monies payable under the Lease).

We hereby irrevocably and unconditionally authorise and instruct you:

without notice or reference to or further authority from us and without enquiring as to the justification or the validity of those instructions, to comply only with any instructions from time to time received by you from the Lender relating to the Lease; and

to pay all sums payable by you under the Lease directly to our account at:

Bank: ♦

Account number: ♦

Sort code: ♦

(the **Account**) or such other account as the Lender may specify from time to time.

We remain liable to perform all our obligations under the Lease and the Lender is under no obligation of any kind whatsoever under the Lease nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Lease.

Please sign and return the acknowledgement attached to one enclosed copy of this notice to the Lender and the other copy to us.

The provisions of this notice (and any non-contractual obligations arising out of or in connection with it) are governed by English law.

Yours faithfully

.....

for and on behalf of

Rose Tor Hotel Limited

Schedule

Date of lease	Parties	Property description
◆	◆	◆

[Attach form of acknowledgment]

– Form of acknowledgement of notice to tenants

To: FundingSecure Ltd
Unit 8 Stokenchurch Business Park, Ibstone Road, Stokenchurch, Buckinghamshire,
HP14 3FE

To: Rose Tor Hotel Limited(**Borrower**)
148 Bury New Road, MANCHESTER, M45 6AD

We acknowledge receipt of the notice of assignment (**Notice**) of which the above is a duplicate. Terms defined in the Notice shall have the same meaning when used in this acknowledgement. We confirm that:

we will not agree to any amendment, waiver or release of any provision of the Lease without the prior written consent of the Lender;

we shall act in accordance with the Notice;

the Borrower will remain liable to perform all its obligations under the Lease and the Lender is under no obligation of any kind whatsoever under the Lease nor under any liability whatsoever in the event of any failure by the Borrower to perform its obligations under the Lease;

no breach or default on the part of the Borrower of any of the terms of such Lease will be deemed to have occurred unless we have given notice of such breach to the Lender specifying how to make good such breach;

we have made all necessary arrangements for all future payments payable under such Lease to be made into the Account;

as at the date of this acknowledgement we have not received any notice of assignment or charge of the Borrower's interest in the Lease in favour of any other person; and

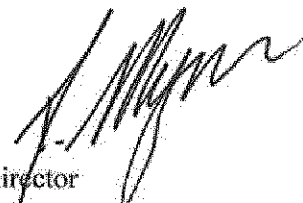
we do not have and have not claimed or exercised any right or claim against the Borrower or exercised or attempted to exercise any right of set-off, counterclaim or other right relating to the Lease.

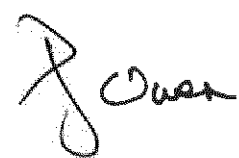
The provisions of this acknowledgement (and any non-contractual obligations arising out of or in connection with it) are governed by English law.

For and on behalf of
[Tenant]

EXECUTION

Executed as a deed by
ROSE TOR HOTEL LIMITED acting by a
director in the presence of:

)
)
) Director 

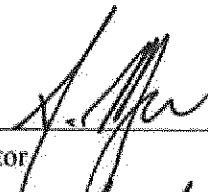
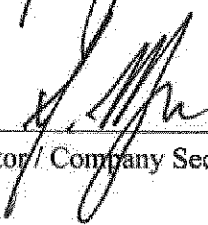
Signature of witness 

Name **Ma P. Owen**

Address **180 Seabank Road WIRAN**

OR

Executed as a Deed on behalf of
ROSE TOR HOTEL LIMITED
by two directors or one director and the
company secretary

)
) Director 
)
)
)
) Director / Company Secretary 

THE LENDER

Executed as a Deed on behalf of) _____
FUNDINGSECURE LTD by two directors) Director
or one director and the company secretary)
)
)
)
) _____
) Director / Company Secretary

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.

All Authorisations required:

to enable it lawfully to enter into, exercise its rights and comply with its obligations under the Finance Documents to which it is a party; and

to make the Finance Documents to which it is a party admissible in evidence in its Relevant Jurisdictions,

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

No Event of Default is continuing or is reasonably likely to result from the making of the Loan.

No litigation, arbitration, administrative or bankruptcy proceedings of or before any court, arbitral body or agency is current or pending or, so far as the Borrower is aware, threatened against it.

In relation to the Property:

the Borrower is the sole legal and beneficial owner of, and has good and marketable title to, the Property subject to no Security;

there subsists no breach of any law or regulation which affects or might reasonably be expected to affect the value of the Property;

there are no covenants, agreements, stipulations, reservations, conditions, interests, rights or other matters whatsoever which affect the Property;

nothing has arisen or has been created or is subsisting which would be an overriding interest over the Property;

no facility necessary for the enjoyment and use of the Property is enjoyed on terms entitling any person to terminate or curtail its use; and

the Borrower has not received notice of any adverse claim by any person in respect of the ownership of the Property or any interest in it, nor has any acknowledgement been given to any person in respect of the Property.

All information supplied by it to the Lender in connection with the Finance Documents was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it was stated.

INFORMATION UNDERTAKINGS

The Borrower shall supply to the Lender any information regarding the business and operations of the Borrower, the Property or the financial condition of the Borrower as the Lender may request.

GENERAL UNDERTAKINGS

The undertakings in this clause 15 remain in force from the date of this letter for so long as any amount is outstanding under the Finance Documents or the Facility is available for borrowing.

The Borrower will comply with all laws and regulations applicable to it.

The Borrower shall not create or permit to subsist any Security over the Property.

The Borrower shall effect:

insurance of its assets in accordance with paragraph 6.14 of the CML Lenders' Handbook save that the insurance shall be for the full reinstatement value of the Property which shall be deemed to be the value of that Property as specified in the most recent Valuation;

insurance against acts of terrorism; and

insurance against 3 years loss of rent,

all such insurances to be in amount and in a form and with an insurance company or underwriters acceptable to the Lender (acting reasonably).

The Borrower will procure that the Lender is either joint insured or, if so agreed by the Lender, noted as mortgagee and loss payee on each such insurance policy and that every such policy shall contain:

a standard mortgagee clause whereby such insurance shall not be vitiated or avoided as against a mortgagee in the event or as a result of any misrepresentation, act or neglect or failure to make disclosure on the part of the insured party or any circumstance beyond the control of the insured party; and

terms providing that it shall not be invalidated so far as the Lender is concerned for failure to pay any premium due without the insurer first giving to the Lender not less than 10 Business Days' notice.

The Borrower will promptly on request supply copies of its Insurances and will notify the Lender of new policies, renewals made and material variations or cancellations of policies made or, to the knowledge of the Borrower, threatened or pending.

The Borrower shall not do or permit to be done anything which may make void or voidable any of the Insurances.

The Borrower shall promptly pay all premiums and do all other things necessary to keep all of the Insurances.

If the Borrower fails to comply with any of the provisions of this clause 15.3, the Lender shall immediately be entitled to effect the Insurances concerned at the expense of the Borrower.

EVENTS OF DEFAULT

Each of the events or circumstances set out in this clause 16 is an Event of Default.

The Borrower does not pay on the due date any amount pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable.

The Borrower does not comply with any provision of the Finance Documents.

Any representation or statement made or deemed to be made by the Borrower in any Finance Document or any other document delivered by or on behalf of the Borrower under or in connection with any Finance Document is or proves to have been incorrect or misleading when made or deemed to be made.

Any financial indebtedness of the Borrower is not paid when due nor within any originally applicable grace period or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

Any demand is made by a creditor in respect of any financial indebtedness of the Borrower which is incurred pursuant to an on demand facility (however described).

The Borrower is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.

Any corporate action, legal proceedings or other procedure or step is taken in relation to or with a view to:

the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration, bankruptcy or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Borrower;

a composition, assignment or arrangement with any creditor of the Borrower;

the appointment of a liquidator, receiver, administrator, administrative receiver, trustee in bankruptcy, compulsory

manager or other similar officer in respect of the Borrower or any of its assets; or

enforcement of any Security over any assets of the Borrower,

or any analogous procedure or step is taken in any jurisdiction.

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Borrower and is not discharged within 5 Business Days.

Any part of the Property is destroyed or is damaged to a material extent.

It is or becomes unlawful for the Borrower to perform any of its obligations under the Finance Documents.

All or any part of the Property is compulsorily purchased.

On and at any time after the occurrence of an Event of Default which is continuing the Lender may, by notice to the Borrower:

cancel the Facility, at which time it shall immediately be cancelled; and/or

declare that all or part of the Loan, together with accrued interest, and all other amounts accrued under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or

declare that all or part of the Loan be payable on demand, at which time it shall immediately become payable on demand by the Lender,

and at any time thereafter the Lender may, without prejudice to its rights under the Security Documents, enforce any or all of the Security Documents.

CHANGES TO THE PARTIES

The Lender may:

assign any of its rights; or

transfer by novation any of its rights and obligations,

under the Finance Documents and the Borrower shall promptly take all steps necessary or desirable to facilitate any such assignment or transfer.

The Lender may disclose to any person:

to (or through) whom the Lender assigns or transfers (or may potentially assign or transfer) all or any of its rights and obligations under this letter;

with (or through) whom the Lender enters into (or may potentially enter into) any sub-participation in relation to, or any other transaction under which payments are to be made by reference to, this letter or the Borrower; or

to whom, and to the extent that, information is required to be disclosed by any applicable law or regulation,

any information about the Borrower, the Property and the Finance Documents as the Lender shall consider appropriate.

The Borrower may not assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

CONDUCT OF BUSINESS BY THE LENDER

No provision of this letter will:

interfere with the right of the Lender to arrange its affairs (tax or otherwise) in whatever manner it thinks fit; or

oblige the Lender to disclose any information relating to its affairs (tax or otherwise) or any compensation in respect of Tax.

PAYMENT MECHANICS

On each date on which the Borrower is required to make a payment under a Finance Document, the Borrower shall make the same available to the Lender for value on the due date.

If the Lender receives a payment that is insufficient to discharge all the amounts then due and payable by the Borrower under the Finance Documents, the Lender shall apply that payment towards the obligations of the Borrower under the Finance Documents in such order as the Lender shall determine.

All payments to be made by the Borrower under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set off or counterclaim.

Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

During any extension of the due date for payment of any principal amount under this letter, interest is payable on that principal amount at the rate payable on the original due date.

If a change in any currency of the United Kingdom occurs, this letter will, to the extent the Lender (acting reasonably) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the relevant interbank market and otherwise to reflect the change in currency.

SET OFF

The Lender may set off any matured obligation due from the Borrower under the Finance Documents against any matured obligation owed by the Lender to the Borrower, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Lender may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set off.

SECURITY

All obligations of the Borrower to the Lender under the Finance Documents will be secured by:

all Security granted in favour of the Lender existing at the date of this letter (if any) in relation to the obligations of the Borrower to the Lender;

the Security Documents; and

all Security which may be granted in favour of the Lender from time to time in relation to the obligations of the Borrower to the Lender.

NOTICES

Any communication to be made under or in connection with this letter shall be made in writing and, unless otherwise stated, may be made by fax, letter or email.

The address, fax number and email address (and the department or officer, if any, for whose attention the communication is to be made) of each party for any communication or document to be made or delivered under or in connection with this letter is set out in Section 1 (*Key Terms*) of this letter.

Any party may substitute any address, fax number, email address or department or officer as either party may notify to the other by not less than 5 Business Days' notice.

Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:

if by way of fax, when received in legible form;

if by way of letter, when it has been left at the relevant address or 5 days after being deposited in the post postage prepaid in an envelope addressed to it at that address; or

if by way of email, 24 hours from delivery if sent to the correct email address and no notice of delivery failure is received,

and, if a particular department or officer is specified as part of its address details provided, if addressed to that department or officer.

Subject to clause 22.4.3, any communication or document to be made or delivered to the Lender will be effective only when actually received by the Lender and then only if it is expressly marked for the attention of the department or officer identified above (or any substitute department or officer as the Lender shall specify for this purpose).

In relation to clause 7.2, any notice delivered to the Lender will be effective only when it has been acknowledged in writing by the Lender (such acknowledgment not to be unreasonably delayed).

CALCULATIONS AND CERTIFICATES

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by the Lender are prima facie evidence of the matters to which they relate.

Any certification or determination by the Lender under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days.

PARTIAL INVALIDITY

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

REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of the Lender, any right or remedy available to it under the Finance Documents or otherwise shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in the Finance Documents are cumulative and not exclusive of any rights or remedies provided by law.

THIRD PARTIES

Unless expressly provided to the contrary in this letter, a person who is not a party to this letter has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this letter.

The consent of any person who is not a party to this letter is not required to rescind or vary this letter or any other agreement entered into in connection with it.

PUBLICITY

The Borrower agrees that the Lender may publicise details of the Facility.

INCONSISTENCY WITH SECURITY DOCUMENTS

Subject to clause 28.2, to the extent that there is any inconsistency between the terms of any Security Documents and the terms of this letter, then until such time as all liabilities and obligations of the Borrower under this letter are repaid and discharged in full, the terms of this letter shall prevail.

Clause 28.1 shall not apply in respect of any right of the Lender to set off contained in any Security Document.

GOVERNING LAW

This letter shall be governed by, and construed in accordance with, English law and all claims and disputes between the parties arising out of or in connection with this letter (whether or not contractual in nature) shall be determined in accordance with English law.

If in any court either party argues that a court other than the courts of England and Wales has jurisdiction to determine any dispute or difference between the parties arising out of or in connection with this letter that issue shall be determined in accordance with English law and each party irrevocably and unconditionally waives any right it might otherwise have to rely upon the law of the forum or any other law.

SUBMISSION TO JURISDICTION

For the benefit of the Lender, the Borrower submits to the exclusive jurisdiction of the courts of England and Wales in relation to all claims, disputes, differences or other matters arising out of or in connection with this letter provided that nothing in this clause shall prevent the Lender in its sole and unfettered discretion, from commencing proceedings against the Borrower in any court of competent jurisdiction.

The Borrower Irrevocably waives any right that it may have:

to object on any ground to an action being brought in the courts of England and Wales, to claim that the action brought in the courts of England and Wales has been brought in an inconvenient forum, or to claim that the courts of England and Wales do not have jurisdiction; or

to oppose the enforcement of any judgment of any court of England and Wales.

ACCEPTANCE

The offer contained in this letter shall be open for acceptance for 5 Business Days following the date of this letter.

Please indicate your acceptance of the terms set out in this letter by signing and returning to us the enclosed copy of this letter.

DEFINITIONS AND CONSTRUCTION

In this Agreement:

Authorisation means an authorisation, consent, approval, resolution, licence, exemption, filing or registration

Availability Period means the period of 5 Business Days from and including the date of this letter

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

CML Lenders' Handbook means the Council of Mortgage Lenders Lenders' Handbook for England and Wales for the time being, a copy of the latest edition of which is available at www.cml.org.uk

Investors means those persons who have registered as investors on the Lender's website and have invested in the Loan to be advanced to the Borrower

Default means an Event of Default or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default

Event of Default means any event or circumstance specified as such in clause 16

Facility means the term loan facility made available under this letter as described in clause 1

Finance Document means this letter, each Security Document and each other document designated as such by the Lender

Insurances means all contracts or policies of insurance in which the Borrower has an interest

Legal Mortgage means the legal mortgage over the Property executed or to be executed by the Borrower in favour of the Lender

Loan means the principal amount of the borrowing by the Borrower made or to be made under the Facility or the principal amount outstanding for the time being of that borrowing

Relevant Jurisdiction means, in relation to the Borrower:

- (a) its jurisdiction of incorporation or (in the case of an individual) the jurisdiction in which it is resident
- (b) any jurisdiction where any asset subject to or intended to be subject to the Security to be created by it pursuant to the Security Documents is situated
- (c) any jurisdiction where it conducts its business and
- (d) the jurisdiction whose laws govern the perfection of any of the Security Documents entered into by it

Security means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect

Security Document means the Legal Mortgage and any other document which confers Security on the Lender or constitutes a guarantee, indemnity or other assurance in favour of the Lender in respect of liabilities of the Borrower and any other document designated as such by the Lender

Sterling and £ means the lawful currency of the United Kingdom

Tax means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same)

Tax Deduction means a deduction or withholding for or on account of Tax from a payment under a Finance Document

Utilisation Date means the date on which the Loan is, or is to be, made

Valuation means a valuation report by the Valuer addressed to the Lender, containing in particular a valuation of the Property on the basis of the market value in accordance with the Statements of Asset Valuation Practice and Guidance Notes issued by the Royal Institution of Chartered Surveyors from time to time

Valuer means such surveyor or valuer as may be appointed or approved by the Lender from time to time

VAT means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature which may be imposed from time to time

Any reference in this letter to:

assets includes present and future property, revenues and rights of every description;

this letter, a Finance Document or any other agreement or instrument is a reference to this letter, that Finance Document or that other agreement or instrument as the same may have been, or may from time to time be, amended, novated, replaced, restated, supplemented or varied provided that, where the consent of the Lender is required pursuant to any Finance Document or otherwise to such amendment, novation, replacement, restatement, supplement or variation, such consent has been obtained;

Indebtedness includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

a **guarantee** includes any guarantee, indemnity, counter indemnity or other assurance in respect of the Indebtedness of any person;

a **person** includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing;

a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of the law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

a reference to **determines** or **determined** means a determination made in the absolute discretion of the person making the determination;

a provision of law is a reference to that provision as amended or re-enacted;

any provision in the **CML Lenders' Handbook** shall be treated (where and when applicable) as being a reference to the corresponding provision (or provisions) that most nearly corresponds to it in any amendment to or replacement of the CML Lenders' Handbook as at the date of this letter; and

the masculine shall include the feminine.

Clause, section and schedule headings are for ease of reference only.

A Default is **continuing** if it has not been remedied or waived.

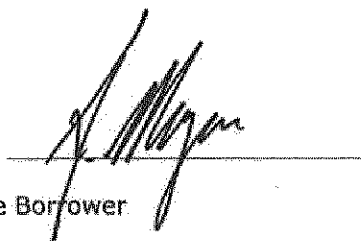
A reference in this letter to any person includes that person's successors and (in the case of the Lender only) its permitted assignees and transferees.

Yours faithfully

For and on behalf of
FundingSecure Ltd

We acknowledge receipt of the facility letter of which this is a copy. We accept the terms set out in that letter.

Signed by:
Director,
on behalf of the Borrower



Date: _____

SCHEDULE 1

Form of Board Resolution

Rose Tor Hotel Ltd (Company)

Minutes of a meeting of the directors of the Company held at 148 Bury New Road, Whitefield, Manchester, England, M45 6AD on

Present: _____ (Chairman)

In attendance:

The Chairman reported that due notice of the meeting had been properly given to all directors and that the meeting had been convened to consider and, if thought fit, approve various documents relating to a

secured loan facility to be made available to the Company by FundingSecure Ltd (**Lender**).

The directors present declared all relevant interests and the Chairman reported that the meeting was quorate and could proceed to business.

A facility letter dated and addressed by the Lender to the Company (**Facility Letter**) was produced to the meeting.

A legal charge (**Legal Charge**) to be granted by the Company in favour of the Lender over the Company's property at 15 Liddell Drive, Llandudno, LL30 1UH was produced to the meeting.

The directors noted that the Legal Charge would secure all liabilities, present and future, of the Company to the Lender.

After due and careful consideration, the directors confirmed their full understanding of the effect and implications for the Company of entering into the Facility Letter and the Legal Charge and unanimously expressed the opinion that:

having regard to the factors relevant to the decision, entering into the Facility Letter and the Legal Charge would be most likely to promote the success of the Company for the benefit of its members as a whole;

the execution and delivery of the Facility Letter and the Legal Charge and the exercise by the Company of its rights, and the performance of its obligations, thereunder do not contravene any agreement or any obligations binding on the Company; and

after having taken account of the Company's internal financial information, the Company will be solvent at the time of, and after, the execution of the Facility Letter and the Legal Charge and it will be able to continue to trade and to pay its debts as they fall due.

It was unanimously resolved that:

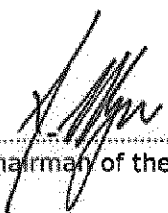
the execution and delivery by the Company of the Facility Letter and the Legal Charge and the performance of its obligations thereunder be and is hereby approved;

any director be and is hereby authorised and instructed to execute and deliver the Facility Letter;


any two directors of the Company, or any director and the company secretary or any director in the presence of a witness, be and are hereby authorised and instructed to execute and deliver the Legal Charge; and

the Legal Charge be registered at Companies House and the Land Registry.

There being no further business, the meeting closed.


.....
Chairman of the meeting

I certify that the above is a true copy of the entry appearing in the minute book of the Company.


.....
Secretary