

LEGAL CHARGE dated the
One thousand nine hundred and ninety

20th

6

BY

day of

December

(1) The person firm or company defined as the Borrower in Part 1 of the Schedule hereto ("the Borrower") in favour of

(2) UCS Bank plc whose registered office is at UCB House,
Railway Approach, Wallington, Surrey SM6 0DY ("the Lender")

1. THE Borrower will on such date as the obligation arises in accordance with this Legal Charge pay and discharge to the Lender the "Indebtedness" which in this Legal Charge means all monies and liabilities which now are or which at any time hereafter may be due owing or incurred or made by the Borrower to the Lender or for which the Borrower may be or become liable to the Lender on any account or in any manner whatsoever whether alone or jointly with any other person firm or corporation and in whatever style name or form and whether as principal or surety whether certain or contingent upon the happening of any event together with interest on all such money and liabilities so due (whether before or after any judgment which may be recovered therefor) to the date of actual repayment of the Indebtedness upon such days in each year as the Lender shall from time to time fix and together with costs charges and expenses and other payments incurred or made by the Lender pursuant or in relation to this Legal Charge or in enforcing the security hereby created (on a full and unqualified indemnity basis).

2. (a) In the absence of any agreement to the contrary between the Lender and the Borrower the Lender may at any time demand payment of the Indebtedness.

(b) Notwithstanding any agreement with the Borrower as to any specified date or dates of payment the Lender shall be entitled to demand payment of the Indebtedness at any time upon the happening of any of the following events and upon such demand the whole of the Indebtedness shall immediately be due and payable:—

(i) if the Borrower makes default in the due and punctual payment of all or any portion of the Indebtedness being principal interest or otherwise that may have become due hereunder or under any other agreement between the Borrower and the Lender

(ii) if any distress execution sequestration or other process is levied or enforced upon or issued against any property of the Borrower and is not discharged within seven days of being levied

(iii) if the Borrower being a company is unable to pay its debts within the meaning of Section 518 of the Companies Act 1985 or any statutory modification or re-enactment thereof for the time being in force or certifies that it is unable to pay its debts as and when they fall due

(iv) if the Borrower commits any breach of or fails to perform any of the terms and conditions of any facility or of this Legal Charge or of any other obligation to the Lender

(v) if the Borrower shall become bound to pay prior to the stated maturity any debenture stock loan stock or other borrowed money or acceptance credit as a consequence of default or if the security for any secured obligation shall become enforceable

(vi) if any property of the Borrower or any part thereof becomes the subject of an enforceable order whereby it may be compulsorily acquired by or by order of any local or other authority and as a result the business of the Borrower appears to the Lender to be likely to be so seriously affected as to jeopardise the security hereby created

(vii) if any representation or warranty made by the Borrower to the Lender shall be found to have been untrue in any material respect at the date when any such representation or warranty was made

(viii) if the Lender for any reason considers the security hereby created is in jeopardy

(ix) if any of the events mentioned in paragraphs (i) to (viii) inclusive of this clause 2(b) shall occur in relation to any person firm or company which guarantees or provides third party security for the repayment of all or any part of the Indebtedness

(c) the Indebtedness shall also become payable (whether or not demanded by the Lender) forthwith on the happening of any of the following events:

- (i) if a petition is presented or an order is made or an effective resolution passed for winding up the Borrower or if the Borrower is not a company the Borrower commits any act of bankruptcy
- (ii) if the Borrower withholds payment or ceases to carry on its business or substantially the whole of its business or threatens to cease to carry on the same
- (iii) if any encumbrancer takes possession or a receiver is appointed of the Mortgaged Assets (as hereinafter defined) or any part thereof
- (iv) if the Borrower enters into any scheme of arrangement which has not previously been approved in writing by the Lender
- (v) if any of the events mentioned in paragraphs (i) to (iv) inclusive of this Clause 2(c) shall occur in relation to any person firm or company which guarantees or provides third party security for the repayment of all or any part of the Indebtedness.

3. (a) THE Borrower as beneficial owner HEREBY CHARGES by way of legal mortgage the property specified or described in Part 2 of the Schedule hereto together with all buildings and fixtures thereon (together "the Mortgaged Property") as a continuing security with the payment to the Lender of the Indebtedness and if the Borrower is a company the Borrower in addition charges by way of floating charge all moveable plant machinery implements utensils furniture goods and equipment now or from time to time placed on or used in or about the Mortgaged Property as a continuing security subject nevertheless to the incumbrances (if any) specified in the Part III of the Schedule hereto

(b) The Borrower as beneficial owner assigns:—

- ~~(i) the goodwill of the business carried on upon the Mortgaged Property and~~
 - He.* (i) ~~the~~ the full benefit of all present and future licences held in connection with the said business and
 - (ii) ~~the~~ all compensation which may at any time become payable to the borrower by virtue of the Licensing Act 1964 or any other statutory enactment on account of the non-renewal of any of the said licences
- unto the Lender absolutely but subject to redemption upon payment of the Indebtedness in full

(c) The Mortgaged Property any moveable plant machinery implements utensils furniture goods and equipment from time to time subject to the floating charge created by sub-clause (a) of this Clause and the assets assigned to the Lender by sub-clause (b) of this Clause are hereinafter together referred to as "the Mortgaged Assets"

(d) The Lender shall be entitled at any time by notice in writing to the Borrower to convert the floating charge created by sub-clause (a) of this Clause into a fixed charge affecting all the Mortgaged Assets which for the time being are the subject of such floating charge or as the case may be of the Mortgaged Assets as are specified in such notice

4. THE Borrower undertakes that it will at all times during the continuance of this security:—

- (a) pay all ~~rents~~ rates taxes duties charges assessments and outgoings due in respect of and observe and perform all covenants restrictions and stipulations affecting the Mortgaged Property as and when the same shall fall due for payment observance or performance
- (b) insure and keep insured the Mortgaged Assets in an office or offices or with other insurers to be approved by the Lender on terms and conditions to be approved by the Lender to the full reinstatement value thereof against loss or damage by fire and such other contingencies and risks as the Lender may from time to time specify in the joint names of the Borrower and the Lender or with the interest of the Lender endorsed on the policy or policies or noted as the Lender may require and will duly pay the premiums and other sums payable in respect of such policy or policies and will immediately after every such payment deliver to the Lender the receipt for the same and will if required by the Lender deliver to the Lender for retention during the subsistence of this security the originals or duplicate copies (as the Lender may specify) of all policies of insurance maintained by the Borrower The Borrower will hold in trust for the Lender all money which may at any time be received or receivable under any policies of insurance covering any part of the Mortgaged Assets against such risks as aforesaid and (at the Lender's option) will pay such money to the Lender or shall apply the same in replacing restoring or reinstating that part of the Mortgaged Assets which is destroyed or damaged

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- (c) keep the Mortgaged Assets in good and proper repair and condition
- (d) comply with all planning requirements regulations and bye-laws affecting the Mortgaged Property or any part thereof or the user thereof and give to the Lender full particulars of any notice which may be served affecting the same
- (e) permit the Lender or any person authorised by it at any time to enter the Mortgaged Property and examine the state thereof and to inspect the Borrower's books accounts and records
- (f) pay on demand the legal costs and all other fees and expenses incurred or to be incurred by the Lender in connection with or incidental to the preparation completion and enforcement of this Legal Charge
- (g) observe and perform the covenants and other provisions contained in any lease or agreement for lease under which the whole or any part of the Mortgaged Property shall be held
- (h) conform to all orders regulations and notices made by the Licensing Justices or other authority concerning the Mortgaged Property and the said business and apply for and use the Borrower's best endeavours to obtain whenever necessary proper renewals or regrants of the licences held in respect of the Mortgaged Property or the said business and shall not surrender abandon or transfer to any person any of the said licences or remove the same or any of them to any other premises or do or permit any act or thing whereby the renewal of any such licences may be refused or discontinued or whereby the said business or the goodwill thereof or the letting or sale of the Mortgaged Property may be prejudicially affected and shall upon demand by or on behalf of the Lender deliver to the Lender or as the Lender shall direct the said licences and give do and execute all notices acts instruments and things necessary or convenient for transferring the same or any of them or vesting the same in the Lender or its nominee or nominees or withdrawing from the books of the Excise the entry of the Borrower as carrying on the business carried on upon the Mortgaged Property
- (i) forthwith upon the receipt of any order direction or notice from the Licensing Justices affecting the Mortgaged Property the said licences or the said business forward the same or a true copy thereof to the Lender
- (j) pay all charges which may be imposed in respect of the said licences or any of them by virtue of the Licensing Act 1964 or any other statutory enactment
- (k) shall from time to time at the request of the Lender endeavour to procure the transfer of any of the said licences which may be held by nominees on behalf of or in trust for the Borrower to such other person or persons as the Lender may approve or appoint and will not permit the transfer of such licences to any person or persons not approved by the Lender
- (l) keep the said licences and every renewal or regrant thereof and any new licences granted in respect of the Mortgaged Property or the said business insured against forfeiture or refusal to renew in the name of the Lender for a sum and in an office to be approved by the Lender in writing and shall deposit the relative policy or policies with the Lender and shall duly pay all premiums and sums of money payable for this purpose and produce the receipts therefor to the Lender within seven days of their becoming due and payable. In the event of any other policies of insurance covering the said licences and/or their renewal or regrant as aforesaid the Borrower shall hold any sums received under such policies in trust for the Lender and shall pay the same to the Lender on demand
- (m) if the said licences or any of them shall at any time be vested in a nominee of the Borrower shall use its best endeavours to procure that all covenants by the Borrower herein contained shall be performed and fulfilled by any such nominees.
- (n) maintain such part or parts of the Mortgaged Property as may from time to time be used for the purpose of agriculture or afforestation in accordance with the standards then current of good agriculture or management of woodlands as the case may be

5. IF default shall at any time be made by the Borrower in complying with any of its obligations under Clause 4 hereof it shall be lawful for but not obligatory on the Lender to make such payment or to effect or renew such insurance or to execute such works and do such other things as in the opinion of the Lender may be required to remedy such default with power to enter the Mortgaged Property or any part thereof with agents appointed by it and architects contractors workmen and others for that purpose and any sums paid by the Lender for any such purpose shall be repayable by the Borrower to the Lender on demand with interest from the date of payment by the Lender at the

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highest rate payable by the Borrower and until such payment by the Borrower the Mortgaged Assets shall stand charged with the amounts so to be paid with interest as aforesaid. No exercise by the Lender of its powers under this Clause shall render the Lender liable to account as a mortgagee in possession

6. (a) THE Borrower undertakes with the Lender that it will not during the continuance of this security except with the prior written consent of the Lender and in accordance with any conditions that may be attached to such consent:-

(i) (except with regard to any agricultural land comprised in the Mortgaged Property insofar as permitted by the Agricultural Holdings Act 1948) exercise any of the powers reserved to a mortgagor by Sections 99 and 100 of the Law of Property Act 1925 or otherwise grant or agree to grant any lease or tenancy or accept or agree to accept any surrender of any lease of the Mortgaged Property or any part thereof or part with possession of the same or confer upon any person firm or company any licence or permission to assign underlet or part with possession of the same or do or suffer to be done any act or thing whereby any lease or agreement for lease held by the Borrower of the Mortgaged Property may become liable to forfeiture or otherwise be determined or whereby the rent payable thereunder may be increased (including forbearance to exercise a right to determine such lease or agreement instead of continuing the same at an increased rent) or amend or vary or agree to amend or vary any provision of such lease or agreement

(ii) pull down alter or remove any building or erection erected or to be erected on the Mortgaged Property or any part thereof or the fixed plant and machinery and other fixtures and fittings upon the same except in the ordinary course of maintenance and repair

(iii) use the Mortgaged Property for any purpose other than that permitted by planning requirements regulations and bye-laws at the date of this Legal Charge

(iv) create, grant, extend or permit to subsist any mortgage or other fixed security or any floating charge on or over the Mortgaged Assets or any part thereof. The foregoing prohibition shall apply not only to mortgages, other fixed securities and floating charges which rank or purport to rank in point of security in priority to the security hereby constituted but also to any mortgages, securities or charges which rank or purport to rank *pari passu* therewith or thereafter

(b) (i) The Borrower hereby requests HM Chief Land Registrar to note the following restriction in the Proprietorship Register of any registered land forming part of the Mortgaged Property:

"Except under an order of the Registrar no disposition by the proprietor(s) of the land is to be registered without the consent of the proprietor for the time being of Charge Number [this Legal Charge]"

(ii) Any costs of entering the restriction referred to in the preceding paragraph shall be deemed to be costs properly incurred hereunder by the Lender

--- 7. (a) THE powers and remedies conferred on mortgagees by the Law of Property Act 1925 shall apply to this Legal Charge but without the restrictions on the exercise of the power of sale imposed by Section 103 of that Act and the statutory power of leasing conferred on the Lender shall be extended so as to authorise the Lender to lease and make agreements for leases at a premium or otherwise and accept surrenders of leases and grant options as the Lender shall think expedient and without the need to observe any of the provisions of Sections 99 and 100 of the said Act

(b) IN favour of a purchaser the principal money hereby secured shall be deemed to have become due on the day on which demand for payment thereof is made by the Lender or on which the Indebtedness otherwise becomes payable and the statutory power of sale as hereby varied or extended shall be exercisable from and after that date which date shall (without prejudice to the equitable right to redeem) be the redemption date

8. (a) AT any time after the Lender shall have made demand for repayment hereunder of any money or liabilities or other sums hereby secured or the Indebtedness shall otherwise have become payable the Lender shall have power by writing to appoint such person or persons as the Lender thinks fit to be the receiver or receivers of the Mortgaged Assets or any part thereof and of the rents profits and income thereof and similarly to remove any such receiver or receivers and to appoint another or others in his or their place Any receiver or receivers so appointed shall be deemed to be the agent(s) of the Borrower who alone shall be responsible for his or their acts or defaults

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(b) ANY receiver appointed by the Lender may in the name or on behalf of and at the cost of the Borrower or at his option in the name of the Lender (but only with the specific approval in writing of the Lender) or at his option in his own name (and in any case notwithstanding any bankruptcy or liquidation of the Borrower) do or omit to do anything which the Borrower could do or omit to do in relation to the Mortgaged Assets or any part thereof and in particular (but without prejudice to the generality) any such receiver may:—

(i) sell let deal with take possession of or manage the Mortgaged Assets or any part thereof and carry on or complete thereon any works of demolition building repair construction furnishing or equipment

(ii) take any proceedings in relation to the Mortgaged Assets or any part thereof in the name of the Borrower or otherwise as may seem expedient including proceedings for the collection of rents in arrear at the date of his appointment

(iii) enter into any agreement or make any arrangement or compromise as he shall think expedient in respect of the Mortgaged Assets

(iv) operate any rent review clause in respect of the Mortgaged Property or grant or apply for any new or extended tenancy thereof

(v) insure the Mortgaged Assets or any part thereof in such manner as he shall think fit or as the Lender shall from time to time direct

(vi) assign and transfer the licences held in respect of the said business to any purchaser or purchasers thereof or to such other person or persons as the Lender shall direct

(vii) attend before the Licensing Justices or other authority for the Division in which the Mortgaged Property is situate at any Special or other Sessions to apply for a temporary transfer or protection order and sign all such notices and other documents and do all such other acts and things for and in the name place and stead and on behalf of the Borrower or otherwise in order to obtain protection for or the transfer of the licences which now or at any time hereafter may be in the name of the Borrower unto such purchaser or purchasers or other person or persons as aforesaid and appeal against any refusal by any authority in respect of any grant or transfer or any renewal of any licence or licences or any order regulation or direction made by the Licensing Justices or any other authority in respect of the Mortgaged Property and the said business

(viii) sign all necessary notices and make all necessary applications for the purpose of obtaining the renewal or regrant of any licence in the name of Borrower the Lender or such receiver

(ix) appoint managers agents officers servants and workmen for any of the aforesaid purposes at such salaries and for such periods as he may determine and

(x) do all such other things as may be incidental or as he may think conducive to the realisation of the Lender's security And for any of the purposes aforesaid such receiver may borrow from the Lender in priority to all monies hereby secured. Any sum so borrowed shall be treated as immediately owing by the Borrower to the Lender shall bear interest at the highest rate payable by the Borrower and shall be secured hereby

(c) The Borrower irrevocably appoints the Lender and each such receiver severally to be the attorney of the Borrower to do any act or execute and deliver any deed or document for all or any of the purposes mentioned in sub-clause (b) of this Clause and the powers conferred by this Clause shall be in addition to all powers given by statute to the Lender or to any such receiver. Without prejudice to the generality of the foregoing the Borrower hereby covenants with the Lender and separately with any such receiver that if required so to do the Borrower will ratify and confirm all transactions entered into by the Lender or any such receiver or by the Borrower at the receiver's instance in the exercise or purported exercise of the powers of the receiver and the Borrower irrevocably acknowledges and agrees that the said power of attorney is (inter alia) given to the Lender and such receiver to secure the performance of the Borrowers obligations hereunder

(d) Any such receiver shall be entitled to remuneration for his services and the services of his firm appropriate to the work and responsibilities involved upon the basis of charging from time to time adopted by the receiver in accordance with the current practice of the receiver or his firm and without being limited by the maximum rate specified in Section 109(6) of the Law of Property Act 1925

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(e) If the Lender shall appoint more than one receiver the powers given to a receiver herein and by statute shall be exercisable by such receivers jointly and severally and any reference herein to "receiver" shall be construed accordingly

9. In the event of the Lender or any receiver appointed by the Lender taking possession of the Mortgaged Property or any part thereof or if the Lender proposes to exercise its power of sale over the Mortgaged property the Lender or any such receiver is hereby authorised as agent of the Borrower if it or he elects so to do to remove warehouse store sell or otherwise deal with any moveable plant and machinery implements utensils furniture goods and equipment which the Borrower shall fail or refuse to remove from the Mortgaged Property within seven days of being requested so to do by notice from the Lender or any receiver appointed by the Lender and neither the Lender nor any such receiver shall be liable for any loss or damage occasioned to the Borrower The Borrower shall indemnify the Lender and any receiver appointed by the Lender against all expenses incurred by the Lender or any such receiver in relation to such moveable plant and machinery implements utensils furniture goods and equipment including expenses of removal and storage and against all liability to any third party in respect thereof and such expenses and liabilities shall be charged upon the Mortgaged Property together with interest at the highest rate payable by the Borrower and the Lender or its receiver as the case may be shall account to the Borrower for the proceeds of any such sale after deducting any such expenses and conditionally upon the Borrower procuring the release of the Lender and the receiver from any charges or expenses in respect of future storage of any such chattels. The Lender or its receiver as the case may be shall not be liable to the Borrower for any act or omission by any person appointed by it or him to effect such sale or for any failure by any such person to obtain a proper price provided only that such appointment shall have been made by the Lender or such receiver in good faith. Provided always that nothing contained in this Legal Charge shall give to or confer upon the Lender any charge or right in respect of such moveable plant machinery implements utensils furniture goods and equipment or the proceeds of sale thereof which would otherwise constitute this Legal Charge as a bill of sale

10. THE restrictions on the right of consolidating mortgage securities contained in Section 93 of The Law of Property Act 1925 shall not apply to this Legal Charge

11. THE Borrower will deposit with the Lender and the Lender shall be entitled to retain and hold during the continuance of this Legal Charge all deeds and documents of title relating to the Mortgaged Property and shall from time to time execute and do all such assurances acts and things as the Lender may reasonably require for perfecting the security hereby constituted and hereby irrevocably appoints the Lender to be the attorney of the Borrower in its name and on its behalf as its act and deed or otherwise to sign seal and deliver and otherwise perfect any assurances and things which may be required hereunder and generally to use the name of the Borrower in the exercise of all or any of the powers conferred on the Lender or any receiver appointed by the Lender

12. IF the Lender receives notice of any subsequent charge or assignment or other interest affecting the Mortgaged Assets or any part thereof the Lender may open a new account or accounts with the Borrower. If the Lender does not open a new account it shall nevertheless be treated as if it had done so at the time when it received such notice and as from that time all payments made by or on behalf of the Borrower to the Lender shall be credited or be treated as having been credited to the new account and shall not operate to reduce the amount due from the Borrower to the Lender at the time when it received the notice

13. NO purchaser or other person dealing with the Lender or its delegate or any receiver appointed hereunder shall be bound to see or inquire whether the right of the Lender or such receiver to exercise any of its or his powers has arisen or has become exercisable or be concerned with any notice to the contrary or be concerned to see whether any delegation by the Lender shall have lapsed for any reason or been revoked

14. (a) THE rights, powers and remedies provided by this Legal Charge are cumulative and are not, nor are they to be construed as, exclusive of any rights, powers and remedies provided by law

(b) No failure on the part of the Lender to exercise or delay on its part in exercising any of the rights powers and remedies provided by this Legal Charge or by law (collectively "the Lender's Rights") shall operate as a waiver thereof nor shall any single or partial waiver of any of the Lender's Rights preclude any further or other exercise of that one of the Lender's Rights concerned or the exercise of any other of the Lender's Rights

(c) The Lender may in its discretion grant time or other indulgence or make any other arrangement variation or release with any person(s) not (a) party/ies hereto (irrespective of whether such person(s) is/are jointly liable with the Borrower) in respect of the Indebtedness or in any way affecting or concerning them or any of them or in respect of any security for the Indebtedness or any of it without in any such case prejudicing affecting or impairing the security hereby constituted or any of the Lender's Rights or the exercise of the same or any indebtedness or other liability of the Borrower to the Lender

(d) Where two or more persons are comprised in the expression "the Borrower" the Lender shall be at liberty to release or discharge any one or more of them from any liability under this Legal Charge or in respect of his or their interest in any of the Mortgaged Assets or to take any composition from or make any other arrangement or variation with any one or more of them without thereby releasing or discharging any other or others of them or otherwise prejudicing or affecting its rights or remedies against any other or others of them or any of the Mortgaged Assets

15. THIS Legal Charge shall be governed by and construed in accordance with English law, and the Borrower hereby irrevocably submits to the non-exclusive jurisdiction of the English courts

16. (a) ANY sale by the Lender or a receiver appointed hereunder may be made either subject to or discharged from any prior mortgage or other security and the Lender or such receiver may settle and pass the accounts of any person in whom the prior mortgage or other security may for the time being be vested. Any account so settled and passed shall as between the Lender (or as the case may be the receiver) on the one hand and the Borrower on the other hand be deemed to be properly settled and passed and shall be binding on the Borrower accordingly

(b) If any person or persons entitled to the benefit of any prior mortgage or other security ranking in point of security in priority to this Legal Charge shall call in the monies thereby secured or shall take any step to enforce the same the Lender may thereupon by agreement or in exercise of its statutory power either redeem such mortgage or other security or make payment of such monies and take a transfer of the benefit thereof and the money so expended by the Lender shall (but only if the Lender shall so elect in a case where the Lender has taken such transfer) be secured hereby as and be deemed part of the Indebtedness and shall bear interest at the highest rate payable by the Borrower. The costs of and incidental to any such transaction incurred by the Lender shall be reimbursed by the Borrower to the Lender on demand

17. EACH of the provisions contained in this Legal Charge shall be severable and distinct from one another and if at any time any one or more such provisions is or becomes invalid illegal or unenforceable the validity the legality and enforceability of each of the remaining provisions of this Legal Charge shall not in any way be affected prejudiced or impaired thereby

18. ANY liberty or power which may be exercised or any determination which may be made hereunder by the Lender may be exercised or made in the absolute and unfettered discretion of the Lender which shall not be under any obligation to give reasons therefor

19. THE Lender shall have a full and unfettered right to assign the whole or any part of the benefit of this Legal Charge and the expression "the Lender" wherever used herein shall be deemed to include the assignees and other successors whether immediate or derivative of the Lender who shall be entitled to enforce and proceed upon this Legal Charge in the same manner as if named herein. The Lender shall be entitled to impart any information concerning the Borrower to any such assignee or other successor or any proposed assignee or successor

20. (a) NOTHING herein contained shall operate so as to merge or otherwise prejudice or affect any bill note guarantee mortgage or other security or any contractual or other right which the Lender may at any time have for any money liabilities interest and other money due or incurred by the Borrower to the Lender or any right or remedy of the Lender thereunder

(b) The security hereby created is in addition to any other security or securities now or hereafter held by the Lender

(c) This Legal Charge shall remain in full force and effect as a continuing security until the Lender discharges it

21. IN this Legal Charge where the context so admits:—

(a) "the Borrower" includes the personal representatives and the successors in title of the Borrower

(b) "the Lender" means UCB Bank plc and the Subsidiaries and any of them and their respective successors in title and assigns. Any appointment or removal under Clause 8 hereof or consents hereunder may be made or given by writing signed or sealed by any such successors or assigns.

(c) "the Subsidiaries" means all or any of the subsidiaries and holding companies of the Lender and of any Subsidiary of any such holding company as such terms are defined by S. 736 Companies Act 1985.

(d) If there are two or more persons comprised in "the Borrower" all covenants herein contained or implied on the part of the Borrower shall be deemed to be joint and several covenants on their part.

(e) references to any statutory provision shall be deemed to mean and to include a reference to any modification or re-enactment thereof for the time being in force and any regulations made thereunder and any analogous provision or rule under any applicable law.

22. ANY notice or demand by the Lender hereunder shall be deemed to have been sufficiently given if sent by prepaid first class letter post to the address stated hereon or to the address last known to the Lender or if the Borrower is a company to the address hereon or to the registered office of the Company and shall be deemed to have been served upon the addressee at 10.00 a.m. the next succeeding day (or if the next succeeding day be a Sunday or any other day upon which no delivery of letters is made at 10.00 a.m. on the next succeeding day but one) and in any other case shall be deemed to have been served on the addressee upon expiry of forty-eight hours from the time of posting of the same and the aforesaid shall in the service of legal proceedings be deemed to constitute good service. In the case of the death of any person a party hereto and until the Lender receives notice in writing of the grant of probate of the will or letters of administration in respect of the estate of the deceased any notice or demand by the Lender sent by post as aforesaid to the deceased shall for all purposes be deemed a sufficient notice or demand by the Lender to the deceased and his personal representatives and shall be as effectual as if the deceased were still living and the aforesaid shall in the service of legal proceedings be deemed to constitute good service.

IN WITNESS whereof this Legal Charge has been duly executed as a deed the day and year first above written.

THE SCHEDULE above referred to
PART I
("the Borrower")

PETER JOHN ALAN HEDWORTH and GILLIAM MARGARET HEDWORTH both of
27 Montagu Avenue Kenton Newcastle Upon Tyne NE3 4HY

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PART II
("the Mortgaged Property")

ALL THAT freehold land known as Hause Farm Martindale in the County of Cumbria shown for the purpose of identification edged red on the plan annexed hereto and forming part of the property comprised and more particularly described in a Conveyance dated 26th September 1986 made between J G R Harding and D Barraclough
(1) The Borrower (2)

PART III
Prior Encumbrances (if any)

NONE

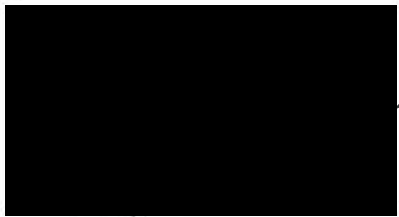
~~THE COMMON SEAL OF THE~~

~~MANOR OF HEDWORTH~~

~~IN WITNESS~~

~~WHEREOF~~

SIGNED AND DELIVERED AS A DEED by the said
PETER JOHN ALAN HEDWORTH
in the presence of ..



Witness: R W DABBY

Name: [Signature]

Address: Hedworth Solicitors

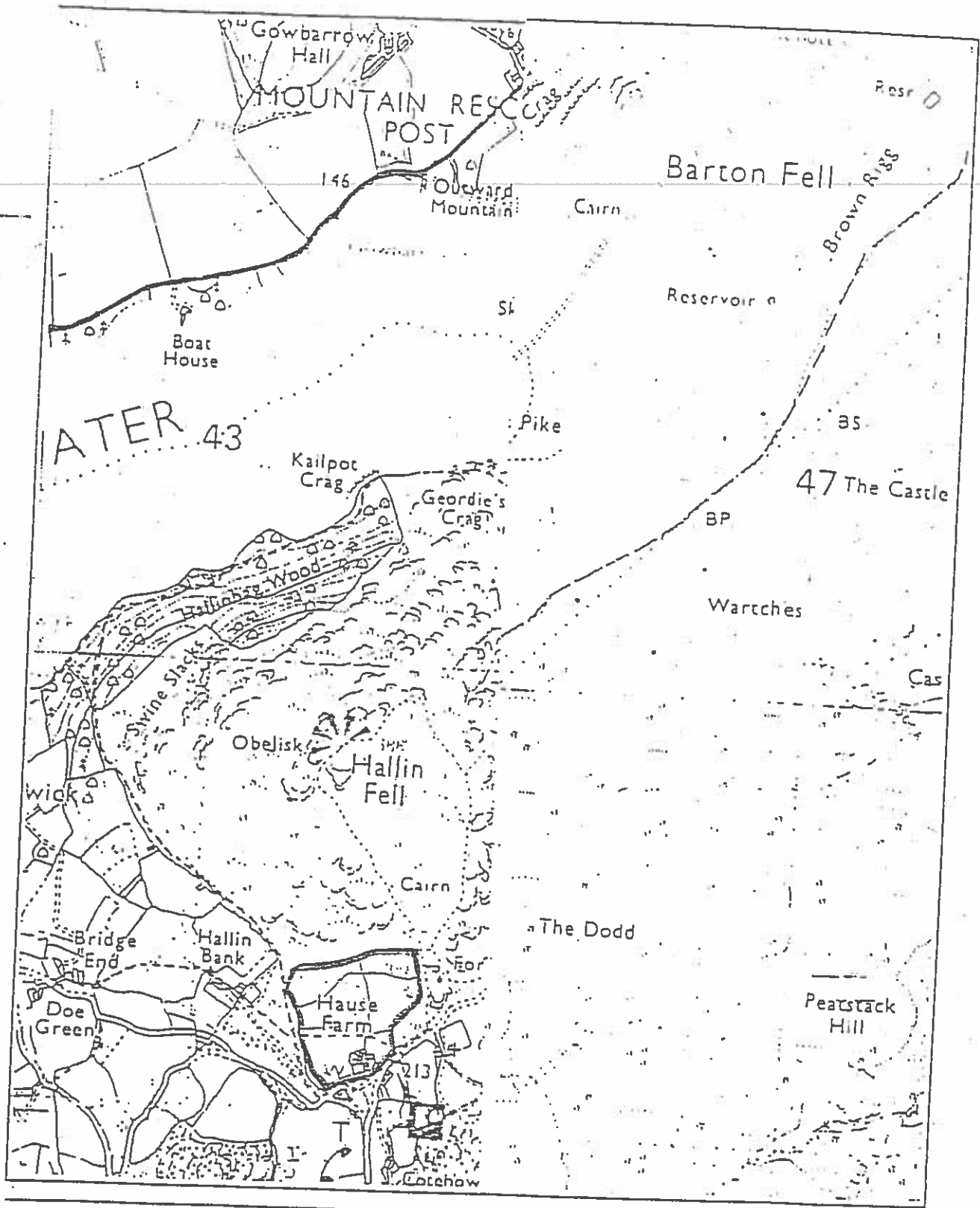
2 Summerhill Street Leeds

Occupation: Managing Clerk

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SIGNED SEALED AND DELIVERED as
a Deed by the said GILLIAN
MARGARET HEDWORTH in the
presence of:





For identification purposes only

[Handwritten signature]

[Redacted area]