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* Insert full name
of company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

A fee of £13 is payable to Companies House in respect of
each register entry for a mortgage or charge.

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)

For official use Company number

	1	
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5899582

Name of company

"LONGREACH ESTATES LIMITED (the "Company")

Date of creation of the charge

20 DECEMBER 2006

Description of the instrument (if any) creating or evidencing the charge (note 2)

DEED OF RENTAL ASSIGNMENT (the "Deed")

Amount secured by the mortgage or charge

All monies, obligations and liabilities to be paid by the Company
referred to in clause 2 of the Deed.

Names and addresses of the mortgagees or persons entitled to the charge

LEEDS BUILDING SOCIETY (the "Lender") 105 ALBION STREET, LEEDS

Postcode LS1 5AS

Presenter's name, address and
reference (if any):

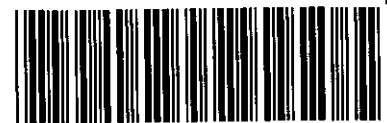
McCormicks Solicitors
Britannia Chambers
4 Oxford Place
Leeds LS1 3AX
DX 26427 LEEDS PARK
SQUARE

Time critical reference

For official use (02/2006)
Mortgage Section

Post room

SATURDAY



A01 23/12/2006 160
"AQA7LL3"
COMPANIES HOUSE

COM395/1

Short particulars of all the property mortgaged or charged

Please see Continuation Sheet 1

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A fee is
payable to
Companies House
in respect of each
register entry for a
mortgage or
charge.
(See Note 5)

† Delete as
appropriate

Particulars as to commission allowance or discount (note 3)

NIL

Signed

Date

22/12/06

On behalf of [company] [mortgagee/chargee] †

Notes

1. The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
2. A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
3. In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his:
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
4. If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
5. A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders are to be made payable to **Companies House**.
6. The address of the Registrar of Companies is:- Companies House, Crown Way, Cardiff CF4 3UZ.

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Particulars of a mortgage or charge (continued)

Continuation sheet No
to Forms Nos 395 and 410 (Scot)

Company number

5899582

Please complete
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bold block lettering

Name of company

LONGREACH ESTATES

Limited*

*Delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

Amount due or owing on the mortgage or charge (continued)

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**Please complete
legibly, preferably
in black type, or
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lettering.**

Please do not write in this margin **Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)**

Please complete legibly, preferably in black type, or bold block lettering

1. **SECURED LIABILITIES**

Under the Deed the Company covenants to pay the Lender on demand all monies and discharge all obligations and liabilities now or in the future due, owing or incurred to the Lender when they become due for payment or discharge, whether by acceleration or otherwise. The monies, obligations or liabilities which are due, owing or incurred to the Lender may be express or implied, present, future or contingent, joint or several, incurred as principal or under a guarantee or indemnity to the Lender, originally owing to the Lender or purchased or otherwise acquired by it, denominated in Sterling or in any other currency or incurred on any banking or other account or in any other manner whatsoever (the "Secured Liabilities").

The liabilities shall, without limitation, include:

- (a) all liabilities arising under the Deed;
- (b) all liabilities under or in connection with foreign exchange transactions, interest rate swaps and other arrangements entered into for the purpose of limiting exposure to fluctuations in interest or exchange rates; and
- (c) interest (both before and after judgement) to date of payment at such rates and upon such terms specified in the Loan Agreement, commission, fees and other charges (including interest rate breakage costs) and all legal and other costs, charges and expenses (including any internal management, monitoring or enforcement costs, charges and expenses of the Lender) on a full and unqualified indemnity basis which may be incurred by the Lender in relation to any of the Secured Liabilities or any guarantee in respect of any part of the Secured Liabilities or otherwise in respect of the Company or any guarantor of any part of the Secured Liabilities.

2. **ASSIGNMENT**

- 2.1 The Company with full title guarantee as a continuing security for the payment and discharge of the Secured Liabilities assigns to the Lender the Rents.

In respect of the Rents:

- 2.1.1 they are assigned absolutely but subject to reassignment upon the Secured Liabilities being paid or discharged in full and there being no future or contingent Secured Liabilities which may arise, whereupon the Lender shall, at the request and cost of the Company, reassign the Rents to the Company;

Please see Continuation Sheet 2.

Pursuant to Section 395 of the Companies Act 1985

Continuation Sheet 2

To the Registrar of Companies

Name of Company

Company Number

Longreach Estates Limited

5899582

Longreach Estates Limited (the "Company")

Short particulars of all the property mortgaged or charged

2.1.2 the Lender may (but shall not be obliged to), and the Company shall promptly on request by the Lender, give to any relevant third parties such notices of assignment as the Lender shall from time to time require;

2.1.3 the Lender shall, notwithstanding the assignment, have no responsibility for the performance of the obligations of the Company under any lease, agreement or contract and the Company shall continue to observe and perform such obligations and shall indemnify the Lender against any liability for performance or breach of them; and

2.1.4 the Lender shall have no responsibility to take any steps to recover the Rents and shall not be liable for any act or omission in connection with recovery of Rents.

2.2 The Company irrevocably and unconditionally agrees that if there is from time to time any credit balance on any of its accounts with the Lender, the Lender shall have the absolute right to refuse or permit such credit balance to be utilised or withdrawn by the Company whether in whole or in part if at that time any of the Secured Liabilities is outstanding and due for payment.

2.3 The Deed secures further advances to the Company.

3. OBLIGATIONS IN RESPECT OF THE RENT

3.1 The Company undertakes to the Lender:

3.1.1 not to assign or Dispose or purport to assign or Dispose of the Rents in whole or in part or grant, create or permit to subsist any Security (whether ranking in priority to, *pari passu* with or subordinate to the security hereby created) on or against the Rents or any part thereof without the express prior written consent of the Lender; and

3.1.2 not to release payment or grant time or indulgence in relation to the Rents or suffer to arise any set-off or other adverse rights against the Rents or do or omit to do anything which may delay or prejudice the right of the Lender to receive payment of the Rents.

3.2 Whilst Value Added Tax payable on the Rents is not assigned to Leeds, the Company hereby undertakes to the Lender that during the continuance of this security the Company will procure that any such Value Added Tax be paid to the Lender together with the Rents and the Lender shall forward such Value Added Tax within 21 days of receipt to the Company. It shall be the responsibility of the Company to issue a receipt for such Value Added Tax to the person who made such payment to the Lender.

Schedule of Definitions for this Form 395

- “Disposal” includes any charge, sale (whether subject to the Deed or otherwise), lease, sub-lease, assignment or transfer, or any agreement to enter into any of the foregoing, the grant of an option or similar right, the creation of a trust or other equitable interest in favour of a third party and a sharing or parting with possession or occupation whether by way of licence or otherwise and “Dispose” and “Disposition” shall be construed accordingly;
- “Loan Agreement” means the loan agreement issued by the Lender and accepted by the Company dated 20 December 2006 and if there is more than one of them, as the context requires, means each and/or all of such loan agreements;
- “Secured Liabilities” means all moneys, obligations and liabilities to be paid by the Company referred to in clause 2;
- “Property” means the freehold land known as the Imperial Hotel and 2 and 4 Northumberland Street, Darlington, registered under title number DU233047
- “Rents” means all the rights, title, benefit and interest (whether present or future) of the Company in and to all rent, licence fees or other sums of money now or at any time received or recoverable by the Company from any tenant or licensee of the Property or any part thereof including, without limitation, service charge and insurance payments (whether such tenancy or licence be express, implied or by operation of law) and any other income in respect of the Property whatsoever but excluding any Value Added Tax on such sums;
- “Security” Means any mortgage, debenture, charge (whether fixed or floating), pledge, lien, hypothecation, standard security, assignment by way of security or other security interest or arrangement of any kind having the effect of conferring security of any kind.

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CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 05899582

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEED OF RENTAL ASSIGNMENT DATED THE 20th DECEMBER 2006 AND CREATED BY LONGREACH ESTATES LTD FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO LEEDS BUILDING SOCIETY UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 23rd DECEMBER 2006.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 3rd JANUARY 2007.



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES