



Registration of a Charge

Company name: **THREE SHIRES INN (LANGDALE) LIMITED**

Company number: **09567966**



X7DRB6EX

Received for Electronic Filing: **04/09/2018**

Details of Charge

Date of creation: **29/08/2018**

Charge code: **0956 7966 0002**

Persons entitled: **CUMBERLAND BUILDING SOCIETY**

Brief description: **THE FREEHOLD PROPERTY KNOWN AS THE THREE SHIRES INN, LITTLE LANGDALE, AMBLESIDE, LA22 9NZ COMPRISED IN TITLE NUMBER CU166049**

Contains fixed charge(s).

Contains floating charge(s) (floating charge covers all the property or undertaking of the company).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC**

**COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION
FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

BURNETTS



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9567966

Charge code: 0956 7966 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 29th August 2018 and created by THREE SHIRES INN (LANGDALE) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 4th September 2018 .

Given at Companies House, Cardiff on 6th September 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

A. DATE 29 August 2018

B. PARTIES

(1) "the Borrower" THREE SHIRES INN (LANGDALE) LIMITED whose registered office is at The Three Shires Inn, Little Langdale, Ambleside, Cumbria LA22 9NZ (Company number 09567966)

(2) "the Society" CUMBERLAND BUILDING SOCIETY whose Principal Office is at Cumberland House Cooper Way Carlisle Cumbria CA3 0JF

C. "THE PROPERTY" the freehold property described or referred to in the Second Schedule hereto

D. BORROWER'S COVENANTS

The Borrower covenants with the Society that the Borrower shall pay or discharge to the Society:

- (1) All Secured Liabilities on the due date or dates for payment or discharge, or in the absence of an agreed or specified due date or on the occurrence of any Event of Default as hereinafter provided on demand.
- (2) All other obligations and liabilities to the Society of whatever description whether actual or contingent and whether arising in contract tort or otherwise to which the Borrower is now or shall at any time (and whether on or after such demand) be subject either alone or jointly with any other person or persons (whether in partnership or otherwise) and either as principal or surety.
- (3) All costs charges and expenses incurred by the Society or which it shall properly incur in or about the enforcement preservation or attempted preservation of this Debenture, the Property and any other property from time to time comprised in this Debenture on a full indemnity basis.
- (4) Interest as provided by this Debenture on all such moneys charges obligations and liabilities and all such costs and expenses.
- (5) All charges and expenses incurred by the Society in connection with any claims or proceedings brought by the Borrower or any third party or taken by the Society against any Borrower or any third party in connection with the validity of the security created by this Debenture or any part or parts thereof or the exercise of any right remedy or power on behalf of the Society contained in the Debenture.

E. CHARGES

The Borrower with full title guarantee charges to the Society as a continuing security for the payment of all moneys obligations liabilities costs expenses and interest hereby covenanted to be paid or otherwise hereby secured:

- (a) By way of first legal mortgage the Property.
- (b) By way of fixed charge and assignment to the Society:-
 - (i) the benefit of all present and future licences held in connection with the carrying out of the Business and in particular the benefit of any licence and any other licence issued under any statutory provision controlling the conduct of the

Business and the benefit of all compensation which may from time to time become payable to the Borrower on account of non-renewal of any such licence;

- (ii) all the rights, titles, benefits and interests whether present or future of the Borrower to all rents and other monies from time to time due, owing or incurred to the Borrower under any lease, agreement for lease, tenancy agreement, licence and any other right of occupation of the Property including the right to receive the same and the full benefit of any guarantee or security for the performance thereof now or at any time hereafter given together with all claims, causes of action and damages arising in connection therewith and any proceeds of the foregoing
- (c) Insofar as the Borrower has the benefit of the same by way of first fixed equitable charge the benefit of all guarantees warranties representations given or made by and any rights or remedies against all or any of the Architects, Quantity Surveyors, Building Contractors and Consulting Engineers now or at any time engaged by the Borrower in relation to the Property and the manufacturers suppliers or installers of all plant machinery fixtures fittings and other items now or from time to time in the buildings erected or to be erected on the Property and any other person firm or company now or from time to time under contract with or under a duty to the Borrower and the benefit of all sums recovered in any proceedings against all or any such persons.
- (d) By way of first fixed charge the following:
 - (i) all the goodwill of the Borrower;
 - (ii) the full benefit of all contracts entered into by or with the Borrower;
 - (iii) all those the book debts and other moneys which now are or may hereafter become owing to the Borrower and the proceeds of payment and realisation of each of them;
 - (iv) all capital profits and other moneys received by the Borrower.
- (e) By way of floating charge:
 - (i) all freehold and leasehold property or any equitable estate or interest or option therein hereafter acquired by the Borrower whether or not the title to which is at the time of such acquisition registered or compulsorily registrable under the Land Registration Acts, and
 - (ii) all the undertaking property and assets of the Borrower whatsoever and wheresoever both present and future.

PROVIDED ALWAYS that the Borrower shall not be at liberty to create any mortgage debenture or charge upon or so that no lien shall in any manner arise on or affect any part of the undertaking property or assets mentioned in sub-clauses (e)(i) and (ii) whether in priority to or ranking pari passu with the said floating charge.

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to each of the floating charges created by sub-clauses (e)(i) and (ii) above.

F. FURTHER ADVANCES

This Debenture is made for securing further advances and shall be a continuing security and notwithstanding any intermediate payment or satisfaction of the whole or any part of the moneys or liabilities owed it shall extend to cover the balance for the time being due from the Borrower to the Society.

G. APPLICATION TO REGISTER

The Borrower and the Society hereby jointly apply to the Chief Land Registrar to enter a restriction in the Register of the titles affected that no disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of this Debenture.

H. SCHEDULES

The provisions of the Schedules are incorporated in this Debenture and form part of it.

IN WITNESS whereof the Borrower has executed and delivered this Debenture as a deed the day and year first before written.

FIRST SCHEDULE

1. DEFINITIONS

- A. In this Schedule "the Debenture" means the particular Debenture in which this Schedule is incorporated.
- B. In this Schedule and in the Debenture where the context admits
- (1) "the Act" means the Law of Property Act 1925.
 - (2) "the Borrower" means the person or persons specified in clause B(1) of the Debenture and includes the persons deriving title under the Borrower or entitled to redeem this security.
 - (3) "Business" means any trade or business carried on by the Borrower at the Property.
 - (4) "the Facility Letter" means the Facility Letter from the Society to the Borrower dated 5 June 2018 and includes any amendments or variations thereto or replacements thereof for the making of a loan facility by the Society to the Borrower as therein described and words and expressions whose meanings are defined in the Facility Letter shall have the same meaning herein.
 - (5) "person" includes company and corporation.
 - (6) "the Property" means the property or properties described or referred to in the Second Schedule hereto and includes all buildings now or later erected on the land all additions thereto and all easements rights advantages benefiting or capable of benefiting the Property which are at any time acquired by the Borrower and all fixed plant machinery and equipment and other property real or personal for the time being subject to a fixed charge under the Debenture, and
 - (a) (i) all fixtures fittings movable plant machinery implements utensils furniture and equipment now or at any time hereafter affixed to or placed on or used in or about the Property, and
 - (ii) all other property real or personal for the time being subject to a fixed charge under this security.
 - (b) In any other case all fixtures now or at any time hereafter affixed thereto except trade machinery as defined by Section 5 of the Bills of Sale Act 1878.
 - (7) "Secured Liabilities" means all moneys obligations and liabilities whatsoever whether for principal interest or otherwise which may now or at any time in the future be due owing or incurred by the Borrower to the Society from time to time (including without limitation the obligations and liabilities of the Borrower under the Facility Letter and under the Debenture) whether present or future actual or contingent and whether alone severally or jointly as principal guarantor surety or otherwise and in whatever name or style and whether on any current or other account or in any other manner whatsoever and including but without limitation all expenses.

- (8) "the Society" includes persons deriving title under the Society. If there shall be any change in the constitution of the Society or if the Society shall be amalgamated with or its assets or engagements transferred to any other body or bodies whether corporate or unincorporate the expression "the Society" shall be construed as including the Society as so changed or such body or bodies corporate or unincorporate (as the case may be) and accordingly the Debenture shall remain a valid continuing security notwithstanding any such change amalgamation or transfer.
 - (9) The masculine includes the feminine and the singular includes the plural and vice versa.
 - (10) References to any Act or other statutory provision shall be deemed to include references to any re-enactment or statutory modification thereof for the time being in force
 - (11) References to a receiver shall be construed as references to a receiver or a receiver and manager.
 - (12) References to the making of an administration order shall be treated as including a reference to the appointment of an administrator under paragraph 14 of Schedule B1 to the Insolvency Act 1986 (by the holder of a qualifying floating charge in respect of the Borrower's property) or paragraph 22 of that Schedule (by the Borrower or the directors of the Borrower).
 - (13) References to making an application for an administration order by petition shall be treated as including a reference to making an administration application to the court under Schedule B1 to the Insolvency Act 1986, appointing an administrator under paragraph 14 or 22 of that Schedule, or giving notice under paragraph 15 or 26 of that Schedule of intention to appoint an administrator.
- C. **IF** the expression "the Borrower" includes two or more persons then (1) it shall be construed as referring to all those persons and each of them or (if the context so requires) all those persons or any of them and all covenants charges agreements and undertakings contained in the Debenture or this Schedule shall be deemed to be joint and several covenants charges agreements and undertakings by all those persons and in particular this security and the said covenants charges agreements and undertakings shall extend and apply to any moneys owing or liabilities incurred by any of those persons to the Society whether solely or jointly with each other or with any other person or persons and, (2) none of those persons shall be entitled as against the Society to any of the rights or remedies legal or equitable of a surety as regards the indebtedness or liabilities of any other or others of those persons.
- D. **THE** headnotes to the paragraphs of this Schedule shall not affect the construction of the Debenture.

2. COVENANTS BY THE BORROWER

The Borrower covenants with the Society at all times during the continuance of this security:

- (1) To commence and thereafter complete without delay a development in accordance with the plans approved by the Society.
- (2) To keep all buildings fixtures fittings and plant machinery and effects for the time being subject to this security in good repair and proper working order and when necessary rebuild or replace those buildings fixtures fittings plant machinery and effects and to permit the Society to enter and view their condition at all reasonable times without becoming liable as mortgagee in possession and not to make any material alteration or addition to any building on the Property or its structure or demolish all or any part of any building except as necessary to carry out any development as shall be first approved

by the Society on any land from time to time comprised in the security created by the Debenture.

- (3) To observe and perform and take all steps necessary to procure due compliance with any agreement entered into in respect of any works to be carried out or which might be carried out on the Property or all or any part thereof and in particular without prejudice to the generality of the foregoing in any building agreement or similar agreement entered into in respect of any proposed development of the Property or any part thereof or any other operations to be carried out thereon.
- (4) To ensure the due performance and observance by every lessee or tenant for the time being of the Property or any part thereof of all its obligations under any lease or tenancy existing at the date hereof or granted hereafter with the previous written consent of the Society and not to release or vary any of the terms of such a lease or tenancy or exercise any power to determine or extend the same without the prior approval of the Society in writing (such approval not to be unreasonably withheld).
- (5) To observe and perform all restrictive and other covenants all building regulations and all restrictions conditions and stipulations (if any) for the time being affecting the Property or the mode of user or enjoyment of the Property or any part of the Property.
- (6) To observe and perform all covenants conditions and obligations contained in any lease affecting all or any part or parts of the Property to be observed by the Borrower whether as landlord or tenant.
- (7) To pay and discharge all existing and future rents rates taxes duties charges assessments impositions and outgoings whatever (whether imposed by deed or statute or otherwise and whether of the nature of capital or revenue and even though of a wholly novel character) now or at any time payable in respect of the Property or any part of the Property or by the owner or occupier of the Property.
- (8) To execute and do at the expense of the Borrower all such works and things whatever as may now or at any time be directed or required by any national or local or other public authority to be executed or done upon or in respect of the Property or any part of the Property.
- (9) To obtain and maintain in force all licences permissions and consents and do all works and things and bear and pay all expenses required or imposed by any existing or future legislation in respect of any works carried out by the Borrower on the Property or any part of the Property or in respect of any user of the Property.
- (10) Not to carry out or apply for permission to carry out any development or change of use of the Property or to any part or parts thereof within the meaning of any legislation for the time being in force in relation to town and country planning nor to make any proposal or application for the alteration of the rateable value of the Property without the previous written consent of the Society.
- (11) Not without the written consent of the Society to do or permit to be done on the Property or any part of the Property any act or thing which will or might give rise to any charge to development land tax or any similar fiscal imposition on the Borrower or any other person.
- (12) Not without the written consent of the Society to apply for or accept any statutory or discretionary grant in respect of any works of repair improvements or construction to the Property or any part of the Property and to hold any moneys received by way of grant as trustee for the Society until this security is redeemed or if required by the Society to apply such moneys in discharge of the money for the time being owing on this security.
- (13) That the Society may retain for its own absolute use and benefit all sums allowed to the Society by way of commission or otherwise in respect of insurance or other business of the Borrower effected through the agency of the Society.

- (14) Not to commit any waste upon or injure or in any manner or by any means lessen the value of any Property for the time being comprised in this security and to take all necessary steps to prevent or minimise any such waste or damage occurring to the Property and not to use or allow the Property or any part thereof to be used in such a manner as to cause nuisance, damage, contamination or pollution to the Property or any neighbouring or adjoining or other land or to any spring, aquifer, culvert, stream on the Property or other land and to take all necessary steps to prevent or curtail the escape of any pollutant or contaminant from any Property from time to time comprised in the security arising under the Debenture.
- (15) To produce immediately to the Society any order notice or proposal affecting any Property for the time being comprised in this security and served on or coming into the possession of the Borrower.
- (16) To keep the Society fully indemnified in respect of any breach or non-observance of the foregoing covenants.
- (17) To maintain membership and comply with all requirements directives and requests of any supervisory body or other organisation responsible for monitoring or controlling any part of the Business or any works or other operations being carried out on the Property or any part thereof and on demand to assign to the Society or otherwise as the Society may direct any NHBC Agreement or other guarantee or indemnity issued in respect of any building erected on the Property or any part thereof or any other operations carried out thereon.
- (18) To preserve maintain and renew as necessary all licences consents permissions copyrights now or hereafter granted to or enjoyed with the Property or any part or parts thereof and in particular any such matters pertaining to any development to be carried out on the Property or any part thereof.
- (19) To answer with all expedition any enquiry raised by the Society in respect of the Property or any other right or asset from time to time comprised in the security under this Debenture and to provide at the Borrower's expense copies of any document or other details from time to time requested by the Society in respect of its security under this Debenture and to deposit with the Society and to allow it to retain all title deeds and documents as it shall require.
- (20) To manage and conduct Business at all times in a good efficient and businesslike manner and promptly on request to supply any information from time to time requested by the Society in connection with any aspect of such Business including without prejudice to the generality of the foregoing any accounting information or details relating to any banking or other account maintained by or on behalf of the Borrower.
- (21) To permit a representative of the Society access at all times to the Property (without the Society thereby becoming liable as mortgagee in possession) and to all records of the Borrower to enable the Society to establish that the Borrower has complied with its obligations under the Debenture and under the Facility Letter.
- (22) Not to allow any person use or occupation of all or any part of the Property or any other rights or assets from time to time comprised in the security arising under the Debenture or to share or agree to share the use or exercise of any such rights with any other party.
- (23) To observe and perform all covenants conditions and obligations contained in the Facility Letter.
- (24) To pay into any accounts nominated from time to time by the Society for this purpose the proceeds of all money which is payable to the Borrower from time to time in respect of its book debts and other debts.
- (25) To pay on demand all legal costs disbursements and other expenses incurred or to be incurred by the Society in connection with the preparation and completion of the Debenture and the perfection of the security arising under the Debenture including without prejudice to the generality of the foregoing any notices or registrations required

in respect of any property or rights acquired by the Borrower after the date of the Debenture.

3. INSURANCE

- (1) The Borrower will take out and maintain all insurances in the name of the Borrower as are normally maintained by prudent companies carrying on similar businesses and in particular will insure and keep insured those of its assets as are insurable (including, without limitation, the Property) with a reputable insurance company previously approved by the Society in writing with the interest of the Society noted upon the policy or at the option of the Society in the joint names of the Borrower and the Society against loss or damage by fire and all such other risks (and the Borrower will ensure that the policy contains such provisions for the protection of the Society as the Society may from time to time require) and in such amounts as are customarily insured against in relation to assets of such nature by prudent companies carrying on comparable businesses (having regard to the nature of the Borrower's business) with that of the Borrower at least to the full replacement value for the time being with adequate provision to cover other losses.
- (2) The Borrower will pay all premiums and other moneys necessary for effecting and maintaining such insurances in force on the dates upon which such moneys are to be paid under the insurance policy and will on demand produce to the Society proof that all such payments have been properly made together with the policy or policies of insurance. The Society may debit the relevant premiums paid by it to any account of the Borrower with the Society from time to time and such premiums shall be paid forthwith by the Borrower to the Society on demand and until paid shall carry Interest at the Agreed Rate.
- (3) If the Borrower fails to take out and maintain such insurances as set out above or prove to the Society that the premiums and other moneys have been paid then the Society may as it thinks fit take out or renew any such insurance in any sum and on terms which the Society may think fit.
- (4) the Society will be entitled to be paid the proceeds of any such policy of insurance (other than in respect of employers' or public liability) and the Borrower will promptly irrevocably instruct any insurer of a policy to pay the proceeds of it to the Society and undertakes to the Society to repeat that instruction if the Society requires.
- (5) All moneys received on any insurance policy (unless paid to the Society in accordance with the above provisions) will, as the Society requires, be applied either in making good the loss or damage in respect of which the money is received or in or towards discharge of the Secured Liabilities.
- (6) The Borrower will promptly notify the Society of any damage to the Property which may give rise to a claim under the insurance of the Property.
- (7) The Borrower will not do or permit or suffer to be done anything whereby any insurance policy relating to the Property may become void or voidable or may lapse or be vitiated or may be altered without the consent of the Society and to indemnify the Society against any costs or expense it may suffer howsoever arising in consequence of the Borrower's failure to comply with this provision.

4. POWERS OF THE SOCIETY AFTER DEMAND OR IN CASE OF DEFAULT

- (1) At any time after demand has been made for payment of any money charged on this security or after default has been made by the Borrower in performing or observing any of the obligations of the Borrower under clause 2 of this Schedule the Society may (but shall not be obliged to) do all such works and other things and incur all such expenditure as the Society shall in its discretion consider necessary or desirable for the

due performance of those obligations or for the protection of this security or its interests under this security and in particular (but without prejudice to the generality of the foregoing) may:

- (a) Complete in such a manner as the Society in its discretion thinks fit all buildings or works for the time being in the course of erection or construction upon or under the Property or required for the beneficial occupation or enjoyment of the Property.
- (b) Demolish remove rebuild repair or replace in such manner as the Society in its discretion thinks fit any buildings fixtures fittings services (including cables pipes sewers and other conducting media) plant machinery or effects for the time being comprised in or serving the Property which shall in the opinion of the Society be in need of demolition removal rebuilding replacement or repair.
- (c) Commence carry out and/or complete any other works of building development rehabilitation conversion or repair to or on the Property or any part of the Property as the Society in its discretion thinks fit.
- (d) Insure the said buildings fixtures fittings services plant machinery or effects against such risks and in such amount and in such a manner as the Society in its discretion thinks fit.
- (e) Effect and keep up such other insurance as the Society in its discretion thinks fit.
- (f) Make any change or arrangement as to boundaries in respect of the Property or any part of the Property with adjoining or neighbouring owners.
- (g) Grant such easements rights privileges and licences (including public rights of way) over the Property or any part of the Property and on such terms as the Society in its discretion considers expedient.
- (h) Acquire by purchase lease or otherwise such further land or such easements rights privileges and licences for the benefit of the Property as the Society may in its discretion consider expedient or necessary to assist with the disposal or development of the Property or any part of the Property.
- (i) Lease, hire purchase or otherwise acquire or provide all plant machinery equipment and materials for any works to be carried out on the Property and to engage such advisers contractors and workmen on such terms and at such remuneration as the Society shall deem as required for the carrying out of such work but the Society shall not be under any obligation to spend monies on any such purposes permitted by the provision or otherwise under this clause.
- (j) To manage any Business carried on at the Property as agents for the Borrower in such manner as may be considered expedient and appoint managers agents officers security personnel and employees for such purpose and to dismiss the same
- (k) Carry out any other activity or operation it deems expedient to protect or enhance the value of the Property.
- (l) Cause the charge described in clause E(e) hereof to automatically and without notice to operate as a fixed charge instantly any of the events previously described occur.
- (m) The Society may enter the Property or any part of the Property for any of the purposes of this paragraph without becoming liable as mortgagee in possession.

5. EVENTS OF DEFAULT

- 5.1 The Society shall be entitled to make demand for repayment of the Loan if at any time one or more of the following events ("Events of Default") shall occur:
 - 5.1.1 The Borrower shall fail to pay any sum due hereunder on its due date.
 - 5.1.2 The Borrower shall default in the due performance and observance of any of the other covenants and obligations contained in the Facility Letter or in the Security Documents.

- 5.1.3 The Borrower shall fail to repay any Borrowing when due or the Borrower shall be in default or receive notice of default in any other respect under any agreement or obligation where the effect of such default is to cause such Borrowing to become due or become capable of being declared repayable prior to its stated maturity or any security for any liability of the Borrower present or future shall become enforceable.
- 5.1.4 The Borrower shall enter into any arrangement or proposes to enter into any such arrangement with or composition for the benefit of its creditors generally or if the Borrower shall become insolvent or unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986 (or any statutory modification or re-enactment thereof).
- 5.1.5 A petition shall be presented or an order made for the winding-up of the Borrower or for the making of an administration order in relation to the Borrower, or any steps are taken in connection with the appointment of an administrator of the Borrower.
- 5.1.6 A meeting is convened for the purpose of considering a resolution for the winding-up of the Borrower (other than a meeting convened with the prior written consent of the Society for a members' voluntary winding-up for the purpose of reconstruction or amalgamation).
- 5.1.7 If any person who has entered into the Guarantee or otherwise agreed to guarantee or stand as surety for all or any part of the Borrower's obligations to the Society should die or become insolvent or if such person should terminate or purport to terminate the Guarantee or indemnity given to the Society.
- 5.1.8 A receiver administrative receiver administrator or any similar person is appointed of all or any part of the undertaking or property of the Borrower or any creditor takes possession of or exercises or attempts to exercise any steps whatsoever to enforce its security or the said undertaking or property or any part thereof or a distress execution or other process (including the making of an interim third party debt order or charging order) is levied or enforced upon any of the Borrower's property and is not removed or discharged within seven days thereafter.
- 5.1.9 The Borrower shall sell or dispose of or attempt to sell or dispose of the whole or any substantial part of its assets or undertaking without the Society's prior written consent.
- 5.1.10 The Borrower ceases or threatens to cease to carry on Business in the normal course.
- 5.1.11 The Borrower shall sell transfer charge lease or otherwise dispose of or purport to sell transfer charge or lease or otherwise dispose of the Property or any part thereof without the prior written consent of the Society.
- 5.1.12 Any representation or warranty made or information supplied by or on behalf of the Borrower shall prove to have been or become incomplete or untrue in any material respect.
- 5.1.13 If there shall be change of control of the Borrower ("control") being interpreted in accordance with Section 840 of the Income and Corporation Taxes Act 1988) or the power to take control of the Borrower is acquired by any person or company or group of persons or companies not having control of the Borrower at the date hereof unless the prior written consent of the Society is first obtained.
- 5.2 If the Society shall demand repayment in accordance with this clause the Borrower shall immediately repay the Loan and all other sums fees and monetary obligations then outstanding and the Society shall have no further obligation to advance monies under the Facility Letter.
- 5.3 The Borrower shall indemnify the Society without prejudice to any of its rights hereunder against any loss or expense as certified by the Society including loss of profit and legal expenses on a full indemnity basis which the Society may incur or sustain as a consequence of the occurrence of any Events of Default or any failure by the Borrower to pay any sum demanded by the Society pursuant to this clause 5.

6. INTEREST

- (1) All moneys which are now or shall at any time hereafter be owing to the Society anywhere on any current or other account by the Borrower (whether alone or jointly with any other person or persons) shall carry Interest (as well after as before demand made or judgment obtained) day by day at the Agreed Rate until full payment or discharge.
- (2) All costs and expenses covenanted to be paid by the Borrower under the Debenture or expended or incurred by the Society shall carry Interest (as well after as before demand made for judgment obtained) day by day at the Agreed Rate from the time of the same having been expended or incurred (whichever shall first occur) until payment or discharge.
- (3) All other moneys discounts charges obligations and liabilities covenanted to be paid or discharged by the Borrower in clause D of the Debenture shall carry Interest (as well after as before demand made or judgment obtained) day by day at the Agreed Rate from the date on which they fall due or from the date of demand (whichever first occurs) until full payment or discharge.
- (4) All Interest payable under the provisions of this clause shall be a charge on the security arising under the Debenture.

7. PROHIBITION OF DISPOSITIONS BY THE BORROWER

The Borrower covenants with the Society that the Borrower will not without the previous written consent of the Society during the continuance of this security:

- (1) Make any disposition of the Property or any part thereof or make any disposition in relation to any other property rights or assets from time to time comprised in the security arising under the Debenture other than by way of a sale of assets subject only to the floating charge contained in the Debenture which are disposed of at full value in the ordinary course of the Business.
- (2) Create or permit to be created any mortgage charge rent charge or any interest or estate therein or lien or other encumbrance on the Property or any part of the Property or over any other property rights or assets from time to time comprised in the security arising under the Debenture.
- (3) Exercise the powers of leasing or agreeing to lease or accepting surrenders of lease conferred on a mortgagor in possession by Sections 99 and 100 of the Act or otherwise grant or agree to grant any lease or tenancy of the Property or any parts of the Property or confer upon any person any contractual right or interest or licence to occupy the Property or any part of the Property.

8. MONIES RECEIVED BY THE BORROWER

- (1) Any monies advanced by the Society under the terms of the Facility Letter shall be held by the Borrower on trust for the Society until expended for the purpose or purposes for which they were advanced.
- (2) Any money received by the Borrower pursuant to any agreement for the disposal of any interest in the Property or any part thereof shall be held on trust for the Society until paid to the Society in discharge of all or part of the indebtedness hereby secured.

9. REGISTRATION

The Borrower covenants with the Society that:

- (1) If and so long as the title to the Property or any part of the Property is not registered under the Land Registration Acts 1925 to 2002 no person shall be registered under the

said Acts as proprietor of the Property or any part of the Property without the written consent of the Society, and

- (2) upon completion of any such registration the Borrower will forthwith deliver to the Society all title information documents, mortgage deeds and relevant title documents relating to the Property or other land from time to time forming part of the Society's security arising under the Debenture.

10. CONSOLIDATION

Section 93 of the Act shall not apply to this security and except upon such terms as the Society may stipulate the Borrower may not:

- (1) Redeem the Debenture without at the same time redeeming every or any existing or future mortgage or other security of whatever nature for the time being held by the Society on other property wherever situate now or hereafter belonging to the Borrower.
- (2) Redeem any other such mortgage or other security of whatever nature without at the same time redeeming this security.

11. THE SOCIETY'S POWER OF SALE

- (1) The mortgage moneys shall become due for the purpose of Section 101 of the Act and the statutory power of sale shall arise immediately upon demand being made for payment of all or any of the moneys hereby secured.
- (2) Section 103 of the Act shall not apply to the Debenture and the statutory power of sale shall be exercisable at any time after demand has been made for payment of all or any of the moneys hereby secured.
- (3) Notwithstanding sub-paragraphs (1) and (2) of this clause in relation to the Property or any part thereof the statutory power of sale shall as between the Society and a purchaser from the Society arise immediately upon the execution of the Debenture and be exercisable at any time thereafter and such a purchaser shall not be put upon inquiry whether any moneys are owing upon the Debenture or whether a demand therefor has been duly made or otherwise as to the propriety of the transaction.
- (4) In its application to the Debenture the statutory power of sale shall be extended so as to permit the Society:
 - (a) To sell the Property or any part thereof for a cash price payable with or without interest by instalments (either secured or unsecured) over such a period or for such other consideration and in such manner as the Society may in its discretion think fit.
 - (b) In addition or as alternative to selling any fixtures subject to the Debenture together with the land or buildings to which they are affixed to sell the same separately or detached from such land and buildings.
 - (c) On or in connection with any such sale to enter into any agreement (including an option or pre-emption agreement) to grant or reserve any right over the Property or any part thereof and to do any other act or thing whatever in relation to the Property or any part thereof which the Society may in its discretion think fit.

12. THE SOCIETY'S POWERS OF LEASING AND ACCEPTING SURRENDERS OF LEASES

- (1) In its application to the Debenture the power of leasing conferred on mortgagees by Section 99 of the Act shall be extended so as to permit the Society at any time after the execution of the Debenture (whether or not the Society shall have gone into or be in possession for the time being or shall have appointed a receiver) to grant or agree to grant or determine any lease or tenancy of the Property or any part thereof for any term or terms or for a periodic tenancy and either in possession or reversion and either with

or without taking or paying a premium (including a premium payable by instalments with or without interest over any period) or any capital sum and at such rents and subject to and with the benefit of such covenants and conditions and such provisions for the review of rents and generally upon such terms whatever as the Society shall in its discretion think fit and capital moneys received by the Society which arise from any lease tenancy or agreement hereby authorised shall be applied by the Society as if such moneys were paid to the Society following the exercise of the power of sale applicable to the Debenture.

- (2) In its application to the Debenture the power of accepting surrenders of leases conferred on mortgagees by Section 100 of the Act shall be extended so as to permit the Society at any time after the execution of the Debenture (whether or not the Society shall have gone into or be in possession or shall have appointed a receiver) to accept or agree to accept surrenders of leases of the Property or any part thereof in such circumstances and for such purposes and upon such terms as the Society in its discretion thinks fit.
- (3) In addition and without prejudice to any power conferred by statute the Society may in writing delegate to any receiver appointed by the Society under any power in that behalf all or any of the extended powers of leasing and accepting surrenders of leases conferred on the Society by the Debenture.

13. RECEIVERS

- (1) At any time after the Society shall have demanded payment of any of the moneys hereby secured, or the charges created by this security shall have become enforceable, or at the request of the Borrower, the Society may by writing appoint:
 - (a) a receiver or receivers of all or any of the undertaking, property or assets subject to the Debenture and may in like manner remove any receiver so appointed and appoint another in his place;
 - (b) an administrator of the Borrower, and may replace an administrator of the Borrower previously appointed by the Society where there is a vacancy in such office.
- (2) The Society may appoint as receiver or administrator any person (whether an officer of the Society or not).
- (3) Any receiver appointed hereunder shall have in relation to all the property of which he is the receiver all the powers conferred by the Act and all the powers specified in Schedule 1 to the Insolvency Act 1986 and in addition (but not so as to limit the said powers) shall have power:
 - (a) To do all acts things and deeds which the Society is empowered to do under clause 4 of this Schedule.
 - (b) To sell or otherwise dispose of any property of which he is the receiver hereunder (or to concur in any such sale or disposal) for a cash price payable as a lump sum or by instalments and either immediately or at a future date or dates (with or without interest and with or without security in the meantime) or for such other consideration of whatever description and generally in such manner and upon such terms and conditions whatever as he shall think fit.
 - (c) To grant or agree to grant any lease or tenancy of any property of which he is the receiver hereunder for any term or terms or for a periodic tenancy and either in possession or reversion and either with or without taking or giving a premium (including a premium payable by instalments with or without interest over any period) and at such rents and subject to and with the benefit of such covenants conditions and provisions for the review of rents and otherwise and generally upon such terms and conditions whatever as he shall think fit.

- (d) To accept or agree to accept surrenders of leases or tenancies of any property of which he is the receiver hereunder in such circumstances and for such purposes and upon such terms whatever as he shall think fit.
- (e) To borrow money from such persons (including the Society) either without security or upon the security of all or any of the property of which he is the receiver hereunder in such manner with such priority and upon such terms whatever as he shall think fit and in particular (but without prejudice to the generality of the foregoing) to charge to any person (including the Society) all or any of the said property with the payment of any moneys borrowed or to be borrowed from that person in priority to the moneys hereby secured and to all other incumbrances then affecting the said property (other than incumbrances having priority to the Debenture).
- (f) To commence carry out or complete all such works of building development rebuilding rehabilitation conversion maintenance or repair as he shall think fit.
- (g) To do all such other acts and things as he shall consider desirable or necessary for the management exploitation protection or realisation of any property of which he is the receiver hereunder.
- (4) Any receiver appointed hereunder shall so far as the law allows be deemed to be the agent of the Borrower who alone shall be liable for his acts or defaults and remuneration.
- (5) The remuneration of any receiver appointed hereunder shall be such sum or at such rate and payable in such manner as may be agreed between him and the Society at or any time after his appointment.
- (6) Any such receiver shall apply all moneys received by him (subject to repayment of any claims having priority to the Debenture).
 - (a) In payment of the costs charges and expenses of and incidental to his appointment and the exercise of all or any of his powers and of all outgoings properly paid by him.
 - (b) In payment of any remuneration which is due to him.
 - (c) In or towards satisfaction of the moneys and obligations outstanding and secured by the Debenture.
 - (d) As to the surplus (if any) to the person or persons entitled thereto.

14. EFFECT OF NOTICE OF SUBSEQUENT CHARGE

If the Society receives notice of any subsequent charge or other interest affecting all or any part of the Property the Society shall be entitled to open a new account or accounts with the Borrower and if the Society does not in fact open a new account it shall (notwithstanding any rule of law or equity) be treated as if it had opened a new account at the time when it received the notice. Accordingly as from the time of receipt of the notice all payments made by the Borrower to the Society 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 Society at the time when the Society received the notice.

15. POWER TO TRANSFER MONEYS BETWEEN ACCOUNTS AND TO APPROPRIATE

- (1) If the Borrower shall have more than one account with the Society the Society shall have power at any time without prior notice to the Borrower to transfer all or any part of any balance standing to the credit of any such account to any other such account which may be in debit.
- (2) As between the Society and the Borrower the Society shall have the primary right of appropriation and accordingly the Society shall have power to appropriate all moneys

paid to the Society or for the credit of the Borrower to such account or accounts and towards capital or Interest or otherwise as the Society shall in its discretion think fit.

16. ENTRY INTO POSSESSION BY THE SOCIETY

- (1) Entry into possession of any property for the time being comprised in the Debenture shall not render the Society liable to account as mortgagee in possession.
- (2) If and so often as the Society shall enter into possession of any property for the time being comprised in the Debenture it shall be entitled at any time at its discretion and convenience to give up such possession.

17. GIVING OF TIME

The Society shall be at liberty without affecting the liability of the Borrower under the Debenture or the right or title of the Society to any property for the time being subject thereto from time to time at its discretion:

- (1) To give time or indulgence to or compound with the Borrower or any other person or persons liable to the Society upon or in respect of any moneys liabilities or obligations hereby secured or any person or persons liable to the Society on any lien bill note guarantee mortgage or other security or negotiable instrument now or at any time held by the Society or to which the Society may now or at any time be entitled, and
- (2) to renew negotiable instruments and take vary exchange renew and release or refuse or neglect to perfect or enforce securities.

18. OTHER SECURITIES NOT TO BE AFFECTED

This security is in addition to and shall not prejudice or affect any other security charge or lien over the Property comprised in this security or any part thereof or any other property which is held by the Society at the date of this security nor any other security charge or lien which the Society may now or hereafter hold in respect of the moneys charged under this security or any part of such moneys.

19. POWER OF ATTORNEY

- (1) The Borrower appoints the Society and any person nominated for this purpose by the Society (by writing under the hand of an officer of the Society) and any receiver appointed hereunder jointly and also severally the attorney and attorneys of the Borrower in the name and on behalf of the Borrower and as the act and deed of the Borrower or otherwise:
 - (a) To do all of the things covenanted to be done by the Borrower in paragraphs 2 and 20 of this Schedule or which the Society is empowered to do (at any time after demand has been made) by paragraph 4 of this Schedule.
 - (b) To do all or any of the things which a receiver appointed hereunder is empowered to do under paragraph 13 of this Schedule.
 - (c) To receive all moneys payable under any policy of insurance not effected in the name of the Society in respect of any loss or damage to any property for the time being comprised in this security.
 - (d) To seal and deliver and otherwise perfect any further legal or equitable charge or mortgage of the Property or any part thereof or any other property for the time being comprised in the security arising under the Debenture in favour of the Society which the Society may be entitled to hereunder or may (in its discretion) require for further securing the moneys and obligations hereby secured or any deed assurance agreement

instrument or act which may be requisite or proper for completing any disposition (whether by way of sale lease or otherwise) of the Property or any part thereof or the redemption of any charge or other security having priority to this security by the Society or any such receiver under any power conferred on the Society or any such receiver by statute or by the Debenture (including the preceding provisions of this paragraph).

- (2) This power of attorney is irrevocable and is given by way of security.

20. FURTHER ASSURANCE

The Borrower shall at any time at its own cost and expense if and when required by the Society execute such further legal or other mortgages charges or assignments in favour of the Society as the Society shall require over all or any of the property and assets hereby charged both present and future including but not limited to all the freehold and leasehold properties and the book and other debts revenues and claims of the Borrower and all rights and remedies relating thereto both present and future (including any vendor's lien) to secure all moneys obligations and liabilities hereby covenanted to be paid or otherwise hereby secured such further mortgages charges or assignments to be prepared by or on behalf of the Society at the cost of the Borrower and to contain an immediate power of sale without notice a clause excluding Section 93 and the restrictions contained in Section 103 of the Act and such other clauses for the benefit of the Society as the Society may reasonably require.

21. NOTICES

- (1) A demand for payment or other demand or notice under this security may be made or given by any manager or officer of the Society or any other person duly authorised by the Society in that behalf by letter addressed to the Borrower and sent by post to or left at the last known address or place of business or (at the option of the Society if the Borrower is a company incorporated under the Companies Acts) the registered office of the Borrower.
- (2) Any such demand or notice made or given by letter so addressed and posted shall be deemed to have been made or given at noon on the day following the day on which the letter was posted notwithstanding that it is returned undelivered and notwithstanding the death of the Borrower.
- (3) Any such demand or notice may also be made or given by telex facsimile or other similar means of communication transmitted by the authority of any manager or officer of the Society or any other person duly authorised by the Society in that behalf to the Borrower at any office of the Borrower equipped with telex facsimile or other similar means of communication and shall be deemed to have been made or given on transmission.
- (4) Where the Borrower consists of more than one person references to the Borrower in the preceding sub-paragraphs (1), (2) and (3) of this paragraph shall be construed as references to the person whose name is entered first in the records of the Society.

22. VARIATIONS

Any variation of the terms of this Debenture shall be by deed executed by the Society and the Borrower.

23. CONTINUING SECURITY

- (1) The Debenture shall be a continuing security notwithstanding the death bankruptcy liquidation or incapacity of the Borrower or any guarantor or surety of the Borrower's obligations or any settlement of any account or any other matter whatsoever and is in addition to and shall not prejudice or affect any right or remedy of the Society under any guarantee lien pledge mortgage or other security which the Society now holds or may in future hold or which is available to it from the Borrower or on behalf of or in respect of the Borrower.
- (2) No assurance security or payment which may be avoided under any enactment relating to bankruptcy insolvency or analogous conditions or under Sections 238, 239, 244, 245 or 246 of the Insolvency Act 1986 or any statute or act replacing the same or any regulations orders or statutory instruments made thereunder or any of such Sections and no release settlement discharge or arrangement which may have been given or made in faith of such assurance security or payment shall prejudice or affect the right of the Society to recover from the Borrower hereunder as if such assurance security payment release settlement discharge or arrangement (as the case may be) had never been granted given or made and any such release settlement discharge or arrangement shall as between the Society and the Borrower be deemed to have been given on the express condition that it shall become wholly void and of no effect if the assurance security or payment in the faith on which it was made or given shall at any time thereafter be avoided in whole or in part under any of the aforementioned provisions.
- (3) Each of the provisions of the Debenture are to be construed as separate and shall so apply and survive notwithstanding any one or other of the provisions being held to be invalid or unenforceable for any reason.

24. LIABILITY TO BORROWER

- (1) The Society shall not incur any liability to the Borrower for negligence or other breach of duty in respect of any act or omission of itself or any of its officers servants or agents or any receiver appointed hereunder in or about the management or realisation or otherwise in respect of any of the property rights or assets from time to time comprised in the security arising under the Debenture.
- (2) No receiver appointed hereunder shall incur any liability to the Borrower for negligence or other breach of duty in respect of any act or omission of himself or any of his servants or agents in or about the management or realisation or otherwise of any of the property rights or assets comprised in the Debenture in respect of which the receiver was appointed to act.

25. PAYMENTS

- (1) Any payments to be made hereunder shall be made in sterling or such other lawful currency of the United Kingdom from time to time to the Society at its Principal Office or otherwise as the Society may from time to time direct and shall be made without any deduction whatsoever save for such deductions as the Borrower may by statute be required to make and any such payments shall be made by noon on the date such payment is due and if such date is not a normal working day for the Society then such payment shall be made by noon on the next working day that the Society is open for business thereafter.
- (2) A certificate signed by an officer of the Society as to the amount for the time being due to the Society from the Borrower shall be conclusive evidence for all purposes against the Borrower.

26. PROPER LAW AND JURISDICTION

- (1) The Debenture shall be governed by and construed in accordance with English law.
- (2) The parties hereto irrevocably agree for the exclusive benefit of the Society that the Courts of England shall have jurisdiction to settle any disputes and hear and determine any actions which may arise in any manner in connection with the Debenture or the enforcement thereof or the recovery of moneys secured by the Debenture.

27. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to this Debenture has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Debenture. This does not affect any right or remedy of a third party which exists or is available apart from that Act.

SECOND SCHEDULE
(The Property)

The freehold property known as The Three Shires Inn, Little Langdale, Ambleside LA22 9NZ registered at HM Land Registry under title number CU166049.

EXECUTED as a Deed by)
THREE SHIRES INN)
(LANGDALE) LIMITED:-)

Director

Director/Secretary

SIGNED on behalf of)
CUMBERLAND BUILDING SOCIETY)

