

W O O D S

28 OCT 2009

Building Supplies Ltd

Nantllan, Clarach, Aberystwyth, Ceredigion, SY23 3DT
Tel: 01970 820116 Fax: 01970 820226

Registration No: 3595402 registered in England & Wales. Registered Office as above. V.A.T Registration No: 667 2832 07.
E Mail: wbs120@yahoo.co.uk

27 October 2009

Sarah Hammond
Chartwell- Financial Management Ltd
Lindley Court
Scott Drive
Altrincham
Cheshire
WA15 8AB

Dear Sarah,,

Re: Scheme Loan Agreements

Thank you for your recent emails.

Please find enclosed copies of the scheme loan agreements as requested.

Kind regards

Yours sincerely


Andy Thompson

Barnett Waddingham

T R U S T E E S L I M I T E D

PRIVATE AND CONFIDENTIAL

26 August 2005

S Wood Esq
Woods Building Supplies Limited
Service Station
Clarach
Aberystwyth
Ceredigion SY23 3DT

Our Ref: 0826lw/lw.1

Dear Stephen

Woods Building Supplies Pension Scheme

Thank you for arranging for the loan agreement and Inland Revenue reporting form to be signed and returned to us. Maynard Samuel has kindly confirmed the terms of the loan to us and we have completed the loan agreement on this basis, i.e. a loan for £250,000 for a term of 5 years repayable monthly on a capital and interest basis.

The loan agreement has been signed on behalf of Barnett Waddingham Trustees Limited and I am returning the original document to you for safekeeping on behalf of the Trustees. A second copy is enclosed for the Company's records. I also enclose the cheque for £250,000 for presenting to the Company's bank.

I will complete the Inland Revenue reporting form and submit this to the Inland Revenue to meet their requirements.

I also enclose a loan repayment schedule for the loan, assuming interest rates remain unchanged. The first monthly payment of capital and interest is due on 26 September and I would be grateful if you could arrange for the payment of £4,980.30 to be made by the Company to the Trustees' bank account on this date and monthly thereafter.

If you have any queries please contact me, or Paul.

Kind regards

Yours sincerely



LISA WHITE

For Barnett Waddingham LLP

Enclosures

To: The Directors of Woods Building Supplies Limited (the Company)

From: The Trustees of the Woods Building Supplies Pension Scheme (the Trustees)

Date: 26 AUGUST 2005

Dear Sirs

LOAN FACILITY

The Trustees are pleased to advise you that we can make available to the Company a loan facility subject to acceptance of the following terms and conditions:-

1. **Amount of Facility**

The amount available will be £ 250,000 (Two Hundred and Fifty Thousand Pounds) or such lesser amount as agreed.

2. **Purpose**

The loan facility is available for the purpose of assisting the Company with a property investment.

3. **Period**

The loan facility is repayable on 26 AUGUST 2010 or earlier at the option of the Company at one month's notice of repayment.

4. **Capital and Interest Repayments and Charges**

The loan is to be repaid by ~~quarterly~~ ^{MONTHLY} capital and interest payments at a variable rate of 3% per cent over Bank Base Rate. The first payment will become due on 26 SEPTEMBER 2005 with the final payment becoming due on 26 AUGUST 2010. The Company will, in addition, pay all legal and other expenses incurred in connection with the loan facility.

5. **Warranties**

You represent and warrant to us (save as disclosed in writing prior to acceptance of the loan facility) that:-

- (a) The loan facility has been duly accepted by the Company and all conditions referred to herein will be performed.
- (b) Acceptance of this loan facility is allowed under the Memorandum and Articles of Association of the Company.

*Barnett
Waddingham*

- (c) The Company is not insolvent.
- (d) The loan is not required solely to keep the business afloat.
- (e) All information given by the Company in connection with this loan facility is correct and no material fact is omitted.

6. **Covenants**

You covenant and agree that from the date of its acceptance of this loan facility:-

- (a) The Company will not permit or create any extension to any existing mortgage or charges without our prior written consent (such consent not to be unreasonably withheld in respect of borrowing requirements in the ordinary course of business).
- (b) The Company will promptly notify us in writing of any event of default (as hereinafter defined) and or any condition, event, act or omission which would constitute an event of default.
- (c) The Company will immediately repay the loan and all interest due in the event of default.
- (d) The Company will immediately repay the loan and all interest due if the funds are required to enable the Trustees to pay benefits which have already become due.
- (e) The Company will immediately repay the loan if the Trustees give any notice which may be required following changes in legislation or Inland Revenue practice which would necessitate earlier repayment if the approval of the Scheme is to be preserved.

7. **Events of Default**

This loan facility shall terminate and all outstanding advances and interest shall be immediately due and payable if:-

- (a) Any breach is made by the Company of the terms, conditions and covenants of this loan facility. In particular, the ~~quarterly~~ ^{monthly} Capital and Interest payments must be made within ninety days of the due dates. **Failure to make payments within this period will constitute a Default Event that must be reported to the Inland Revenue.**
- (b) The Company is unable to pay its debts or becomes insolvent as defined in paragraphs (4), (5) and (6) of Regulation 6 of Statutory Instrument 1991 No 1614 or is placed in liquidation (save a voluntary liquidation for the purpose of re-construction) or ceases to carry on business or is sold to or merged with another business.
- (c) The Company defaults under any guarantee or fails to discharge or repay any indebtedness or other liability.

*Barnett
Waddingham*

- (d) A Receiver or Administrative Receiver of the Company is appointed or an Administration Order is made in respect of it.
- (e) The benefit of this facility is assigned by the Company to another party.
8. **Amendment**

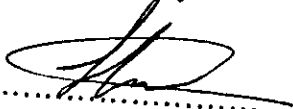
The terms of this loan can be amended subject to the following:-

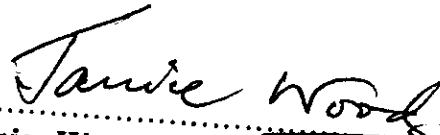
- a. The written consent of both the Trustees and the Company.
- b. Any amendment must be advised to the Audit & Pension Schemes Office of the Inland Revenue and must be such that the terms of the loan remain acceptable to them.

9. **Acceptance**


Please confirm your acceptance of this loan facility on the above terms and conditions by signing the copy of this letter and returning it to us.

Yours faithfully


.....
David Stephen Wood, Trustee


.....
Janice Wood, Trustee


.....
Kusum Tandon, Trustee

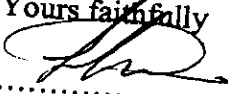

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For Barnett Waddingham Trustees Limited

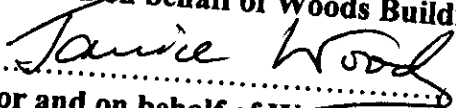
210 AUGUST 2005
.....
Date

To: The Trustees of the Woods Building Supplies Pension Scheme

We, the Company, wish to avail ourselves of the above facility to the extent of £ 250,000 (Two hundred and fifty thousand Pounds) and we agree to accept the terms and conditions set out in your letter above. We also confirm to the Trustees that, at the date that this loan is made, the Company is neither ailing nor technically insolvent.

Yours faithfully


.....
For and on behalf of Woods Building Supplies Limited

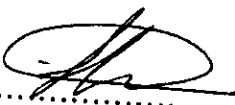

.....
For and on behalf of Woods Building Supplies Limited

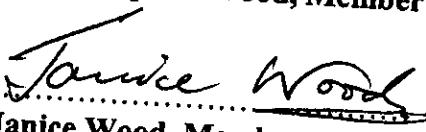
Barnett
Waddingham

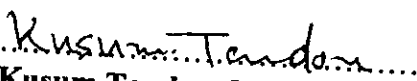
WOODS BUILDING SUPPLIES PENSION SCHEME

The members of the Woods Building Supplies Pension Scheme ("the Scheme") hereby agree to the proposed loan of £ 250,000 (TWO HUNDRED AND FIFTY THOUSAND Pounds) ("the Loan") to Woods Building Supplies Limited ("the Company") with effect from 26 August 2005

We realise that if the Company were to become unable to repay the Loan, then our benefits under the Scheme would be adversely affected.


.....
David Stephen Wood, Member


.....
Janice Wood, Member


.....
Kusum Tandon, Member

26 August 2005
.....
Date

*Barnett
Waddingham*

FIRST CHARGE

THIS LEGAL CHARGE is made the *20* day of *July* 2007 BETWEEN:-

- (1) **Morgan's Properties (Wales) Ltd** the Registered Office of which is at Morawel, Rhydyfelin, Aberystwyth, Ceredigion and the Company Registration Number of which is 06155156; ("the Mortgagor") and
- (2) **Barnett Waddingham Trustees Limited** of St James's House, St James's Square, Cheltenham, Gloucestershire, GL50 3PR, **DAVID STEPHEN WOOD, JANICE WOOD and KUSUM TANDON** of Nantllan, Clarach, Aberystwyth, Ceredigion SY23 3DT ("the Lender")

NOW THIS DEED WITNESSES as follows:

1. Definitions

In this Deed:

- 1.1 'the Act' means the Law of Property Act 1925;
- 1.2 'the Interest Rate' means 8% per annum or 2.5% above HSBC Plc Base Lending Rate for the time being in force whichever shall be the higher;
- 1.3 'the Default Interest Rate' means 13% per annum or 7.5% above HSBC Plc Base Lending Rate for the time being in force whichever shall be the higher;
- 1.4 'the Interest Payment Days' means the 1st day of each month
- 1.5 'the Principal' means £850,000.00
- 1.6 'the Property' means the property specified in the Schedule below and all buildings and fixtures on it;
- 1.7 'the Equity Disposal Value' means £6,000.00 payable on the sale of each and every plot on the Property provided always that in the event of a disposal of the entire Property before the total payments made in respect of the Equity Disposal Value shall amount to £72,000.00, the difference between the total sum then paid by way of Equity Disposal Value and £72,000.00 shall become immediately due and payable and for the avoidance of doubt the liability of the Mortgagor to pay the Equity Disposal Value shall not exceed £72,000.00 in respect of this Charge.
- 1.8 'the Repayment Date' shall mean the date ascertained in accordance with the provisions of Clause 5.
- 1.9 'the Surveyor' means Mr Iestyn Leyshon of Lloyd Herbert & Jones or such other Chartered Surveyor as may be appointed by the Lender from time to time.

2. Payment of Principal, Interest and the Equity Disposal Value

In consideration of the Principal now paid by the Lender to the Mortgagor (receipt of which the Mortgagor acknowledges) the Mortgagor covenants with the Lender

to pay the balance of the Principal (giving credit for payments made in accordance with Clause 2.3 hereof) on the Repayment Date together with:-

- 2.1 Interest at the Interest Rate on the Principal on the Interest Payment Days from the date hereof; save that in the event that payment of the sum due under this clause 2.1 are not made by the Interest Payment Days at any time during the continuance of this security, interest shall be payable instead at the Default Interest Rate on the Principal on the Interest Payment Days from the date of default until the date the default is made good and thereafter at the Interest Rate on the Interest Payment Days;
- 2.2 The Equity Disposal Value;
- 2.3 All costs, charges and expenses owed to or incurred directly or indirectly by the Lender in relation to the security or any other security held by the Lender in connection with advances or other trading facilities offered to the Mortgagor or in relation to the exercise of any of the powers conferred by or the enforcement of any such security or in relation to any such indebtedness or liabilities on a full and unlimited indemnity basis together with all interest, commissions and bank and discount charges as may be payable from time to time by the Lender such interest to be computed in each case on a compounding basis and payable so that interest shall be payable at the same rate as well after as before any judgment.

3. Legal Charge

For the above consideration the Mortgagor, with Full Title Guarantee, charges the Property by way of First Legal Mortgage with payment in accordance with the covenants contained in this Deed of the Principal, Interest and other money covenanted by this Deed to be paid by the Mortgagor.

4. Sales of Part of Property

- 4.1 At any time during the continuance of this security, before the power of sale vested in the Lender becomes exercisable, the Mortgagor may sell part of the Property at any price he thinks fit not being less than the price which has been approved in writing by the Surveyor;

- 4.2 On the Sale of Part the Lender will, on payment to him of not less than £66,000.00, and at the cost of the Mortgagor, issue to the Mortgagor or to his Solicitor a DS3 in respect of the sale thereof;
- 4.3 Any money so paid to the Lender shall be applied by him in the following order:
- 4.3.1 The Equity Disposal Value the aggregate of which for the avoidance of doubt will not exceed £6,000 in relation to the sale off of any individual plot whether under the terms of this charge or under the terms of the Second Charge of even date executed between Morgan's Properties (Wales) Ltd (1) and David Stephen Wood, Janice Wood and Kusum Tandon (2)
- 4.3.2 any outstanding interest as provided by clause 2.1 hereof;
- 4.3.3 The Principal or such proportion thereof as provided by Clause 2.3.
- 5. Repayment Date**
- The Repayment date is the earliest of the following events to occur:
- 5.1 The expiry of 4 years from the date of this Deed;
- 5.2 The execution and delivery of a Transfer of the Mortgagor's legal Estate in the whole of the Property;
- 5.3 Any disposition of a Legal or Equitable Interest in the Property not falling within Clause 5.2 (other than the making of a Contract intended to lead to a disposition within Clause 5.2 or the sale of part of the Property leading to a payment under clause 4.2 above);
- 5.4 Breach of any provision of this Deed; or
- 5.5 The expiry of 4 weeks from the date of written notice by the Mortgagor on the Lender of his wish to redeem this security.
- 6. Provision for Redemption**
- If the Mortgagor pays the Principal and all other sums payable hereunder in accordance with the terms of this Deed on the redemption date the Lender will at the request and cost of the Mortgagor duly discharged this security.
- 7. Mortgagor's Representations and Warranties**
- The Mortgagor represents and warrants to the Lender that:

- 7.1 The construction of dwellinghouses on the Property is a permitted use within the provisions of the Town and Country Planning Act 1990;
- 7.2 The Mortgagor has not before the execution of this Deed carried out any operation upon the Property or put the Property to any use which is a development with the provisions of the Town and Country Planning Act 1990 and in respect of which any requisite permission has not been obtained or any valid enforcement order may be made;
- 7.3 The Mortgagor has complied and will comply with environmental law and, in particular (but without prejudice to the generality of that representation and warranty) that no hazardous or toxic materials, substances, pollutants, contaminants or wastes have at any time before the execution of this Deed been or will be released into the environment or deposited, discharged, displaced or disposed of at or near the Property; and

8. Mortgagor's Covenants as to the Property

The Mortgagor covenants with the Lender as set out below.

8.1 Construction and Repair

8.1.1 The Seller will construct dwellinghouses on the Property in a good and workmanlike manner in accordance with the provisions of any requisite permission obtained pursuant to the Town and Country Planning Act 1990 and with the prior written approval of the Mortgagor;

8.1.2 Subject to there being no delay by strikes, lockouts, shortages of materials or other causes beyond its control, the Mortgagor will complete the erection of the dwellinghouses within a reasonable period of time;

8.1.3 The Mortgagor will keep all buildings, fixtures and fittings, services and service media in, on or associated with the Property in good and substantial repair and good working order and condition;

8.1.4 The Mortgagor will permit the Lender and his representatives at all reasonable times and upon reasonable notice to enter upon the Property or any part of it to inspect the state and condition of the said buildings, fixtures and fittings, services and service media without the Lender becoming liable as Mortgagee in possession;

8.1.5 If the Mortgagor fails to maintain the buildings, fixtures and fittings, services and service media in the requisite state of repair and condition the

Lender and his representatives may (but without being bound to do so) at any time thereafter enter upon the Property or any part of it and execute all remedial works that the Lender considers to be necessary and proper without the Lender thereby becoming liable as Mortgagee in possession;

8.1.6 The Mortgagor will on demand repay to the Lender all expenses incurred by the Lender in carrying out inspections and works permitted by this Clause together with interest from the date when the Lender becomes liable for the same until repayment by the Mortgagor at the Interest Rate (such interest to be payable in the same manner as interest on the Principal) all of which money and interest shall be charged on the Property.

8.2 Insurance

8.2.1 Duty to Insure

The Mortgagor will:

- (a) Ensure the Property is kept insured for such amount or amounts (including sums in respect of any loss of rent and any professional fees which may be incurred in or about repair, rebuilding or reinstatement), in such name or names, and against loss or damage due to such risks and with such underwriters as the Lender may in each case and from time to time approve; and
- (b) Make all payments required for this purpose as and when they become due and will when required by the Lender deliver to him the policy of insurance and the receipt for each payment.

8.2.2 Indemnity for payments by the Lender

If the Mortgagor fails to perform any of his obligations under this clause and if the Lender takes out any insurance on the Property or any part of it, the Mortgagor will be on demand repay to the Lender all payments made by him for that purpose and will pay interest at the Interest Rate from the date of payment until repayment on any money not repaid on demand. All such money and interest shall be charged on the Property.

8.2.3 Application of insurance money

Any money received under any policy of insurance effected or maintained by the Mortgagor (whether or not pursuant to his obligations under this clause 8.3) shall, at the option and absolute discretion of the Lender, be applied either in making good the loss or damage in respect of which it was received or in or towards

discharge of the money due under this security, and if received by the Mortgagor will be held on the trust for the Lender for this purpose.

8.3 Outgoings

The Mortgagor will punctually pay, and indemnify the Lender against, all rents, rates, taxes, levies, assessments, impositions and outgoings whatsoever (whether governmental, municipal, contractual or otherwise) which may be or may become imposed upon or payable in respect of the Property or any part of it.

8.4 General covenant to comply with statutes etc

The Mortgagor will ensure that any legislation, regulations or bye-laws for the time being in force applicable to the Property or to the employment of persons in the Property are complied with in all respects.

8.5 General covenant to produce notices etc

8.5.1 The Mortgagor will immediately produce to the Lender any order, direction, permission, notice or other matter whatever affecting or likely to affect the Property and served upon the Mortgagor by any third party, and will allow the Lender to make a copy of it.

8.5.2 The Mortgagor will comply with any such order, direction, permission, notice or other matter without delay or, if the Lender so requires, will make or join with the Lender in making such objections or representations against or in respect of the same as the Lender may request or approve.

8.6 Specific covenants relating to planning and environmental matters

8.6.1 Alteration of present use of the Property

The Mortgagor will not use the Property for any purpose other than the present permitted use except with the previous written consent of the Lender and the relevant planning authority and then only to the extent permitted by and in conditions attached to such consent. The Mortgagor will deliver any such consent of the relevant planning authority to the Lender but shall be entitled to a copy of it.

8.6.2 Compliance with environmental matters

The Mortgagor will observe and perform all environmental laws, regulations, directives and codes of practice affecting the Property.

8.6.3 Compliance with notices etc

- (a) If any valid enforcement or other notice, claim, order or proposal is made or served on the Mortgagor
- (i) The Mortgagor will at his own expense in all respects comply with the requirements of any such notice, order or proposal without delay and in any event within any time which may be specified for compliance. Alternatively, if the Lender so requires, the Mortgagor will make or join with the Lender in making such obligations or representations as the Lender may request or approve against or in respect of any such notice or order or proposal.
 - (ii) If the Mortgagor fails to take immediate steps to commence compliance, or fails within the relevant time limit to conclude compliance with any such requirement, the Lender may (but shall not be obliged to) at any time thereafter enter on the Property and execute any works and do anything on the Property necessary to ensure such compliance without the Lender thereby becoming liable as mortgagee in possession and all costs and expenses so incurred by the Lender, with interest on them at the Interest Rate, shall be payable and charged upon the Property as provided by clause 8.1.4
- (b) The Mortgagor irrevocably appoints the Lender and his substitutes for the time being to be his attorney to apply for and procure on his behalf any licences, permissions or other things from any competent authority necessary for the execution of the works authorised by this clause to be executed by the Lender on the default of the Mortgagor.
- (c) All expenses incurred by the Lender in securing such licences permissions and other things shall be treated as part of the cost of the works and such expenses and interest on them shall be charged upon the Property as provided by clause 4.1.4

8.7 Specific covenant in relation to compulsory purchase

8.7.1 The Mortgagor will not without the previous consent in writing of the Lender (and the only to the extent permitted by and in accordance with any conditions attached to that consent) enter into any negotiations with any local or

other authority for or consent to the compulsory acquisition of the Property either in the whole or in part.

8.7.2 If the Lender so requires the Mortgagor will permit the Lender to conduct such negotiations and grant such consent on his behalf.

8.7.3 Any compensation payable to or received by the Mortgagor in respect of the compulsory acquisition of the Property or any part of it will, if so and to the extent required by the Lender, be applied in or towards the discharge of the money due under this security.

8.8 Leasing and disposal

The Mortgagor must not without the previous consent in writing of the Lender (and then only to the extent permitted by and in accordance with any conditions attached to such consent):

8.8.1 Exercise or agree to exercise any power of leasing or of accepting surrenders of leases (whether conferred by statute or otherwise) or vary or agree to vary any lease or tenancy agreement or the amounts payable thereunder; or

8.8.2 Otherwise part with or share possession or occupation of or dispose of or deal with the Property or any part of it or any interest in it.

8.9 Compliance with terms of title matters etc

8.9.1 The Mortgagor will observe and perform the terms of all matters referred to in the Land Registry registers appertaining to the Property and all grants, assignments, contracts and other deeds and documents from time to time affecting the Property and binding on the Mortgagor.

8.9.2 The Mortgagor will keep the Lender indemnified against all proceedings and claims on account of any breach of those terms.

8.9.3 All expenses damages and costs incurred by the Lender in relation to any such breach together with interest at the Interest Rate shall be payable and charged upon the Property as provided by clause 8.1.4

8.10 Not to register

The Mortgagor must not without the previous consent in writing of the Lender cause or allow any person to be registered under the Land Registration Acts as proprietor of the Property or any part of it.

8.11 Other charges

The Mortgagor shall not without the previous consent in writing of the Lender (and then only to the extent permitted by and in accordance with any conditions

attached to such consent) create or permit to subsist any mortgage, pledge, charge, incumbrance, lien or other security interest in the Property other than this security and a second charge between the Mortgagor (1) and David Stephen Wood, Janice Wood and Kusum Tandon (2) of even date.

9. Lender's powers and rights

9.1 Exercise of statutory powers

9.1.1 Section 103 of the Law of Property Act 1925 shall not apply to this security.

9.1.2 At any time after the money secured by this deed has become due and payable the security shall be immediately enforceable and the power of sale as amended or varied by this deed shall be immediately exercisable in respect of the whole or any part of the Property without the restriction contained in that Act as to the giving of notice or otherwise.

9.2 Extension of statutory powers

9.2.1 The power of sale conferred upon mortgages by the Law of Property Act 1925 shall be extended so as to authorise any person exercising it to do so by selling the Property or any part of it in such manner and on such conditions as to payment of the purchase price and otherwise as the Lender may think fit.

9.2.2 By way of extension of the powers contained in the Law of Property Act 1925 sections 99 and 100 the Lender shall at any time or times hereafter (and whether or not he has entered into or is in possession of the Property or has appointed a receiver who is still acting) be entitled to grant or vary or reduce any sum payable under, or accept surrenders of, leases of the Property or any part or parts of it or agree to do so without restriction in such manner and on such terms and conditions as he shall think fit. For the purposes of the exercise of these

9.2.3 At any time after this security has become enforceable and notwithstanding the appointment of any receiver the Lender may at his absolute discretion exercise any power which a receiver appointed by him could exercise.

9.2.4 The powers granted or extended by this clause shall be exercisable free from any liability on the part of the Lender or the person exercising them to the Mortgagor or any other interested person, whether in negligence or otherwise.

9.3 Power to appoint a receiver

9.3.1 At any time after this security becomes enforceable, or at the request of the Mortgagor, the lender may by writing under hand appoint any person or persons to be a receiver of all or any part of the Property.

9.3.2 The Lender may at any time and from time to time in like manner remove any receiver so appointed and appoint another in his place or appoint an additional person as receiver.

9.3.3 The Lender may, either at the time of appointment or at any time subsequently and from time to time, fix the remuneration of any receiver so appointed.

9.3.4 None of the restrictions imposed by the Law of Property Act 1925 in relation to the appointment of receivers or as to the giving of notice or otherwise shall apply.

9.3.5 Where more than one receiver is appointed they shall have the power to act severally

9.3.6 Any receiver so appointed shall be the agent of the Mortgagor for all purposes and the Mortgagor shall be solely responsible for his acts or defaults and for his remuneration.

9.3.7 Any receiver so appointed shall have all the powers conferred on mortgagees or receivers by the Act (but without the restrictions contained in section 103 of the Act) and on administrative receivers by the Insolvency Act 1986 Schedule 1 except to the extent to which those powers are expressly or impliedly excluded by the terms of this deed. In the event of ambiguity or conflict of the terms of this deed will prevail.

9.3.8 In addition any receiver so appointed shall have power at his discretion, to such extent and upon such terms as he may in his absolute discretion think fit, and notwithstanding the administration or liquidation do or omit to do anything with the Mortgagor could do or omit to do in relation to all or any part of the Property. In particular (but without limitation) any such receiver shall have the power:

- (a)** To take possession of, collect and get in all or any part of the Property and for that purpose bring any proceedings in the name of the Mortgagor or otherwise;
- (b)** To manage or carry on or concur in carrying on any business of the Mortgagor;

- (c) To raise or borrow money (whether from the Lender or otherwise) to rank for payment in priority to this security and with or without a charge on all or any part of the Property;
- (d) To sell (whether by public auction or private contract or otherwise), lease, vary, renew or surrender leases or accept surrenders of lease (without needing to observe the provisions of the Act sections 99 and 100) of, or otherwise dispose of or deal with all or any part of, the Property or of rights associated with all or any part of the Property or to concur in so doing whether in the name or on the behalf of the Mortgagor or otherwise;
- (e) To seize and sever all or any fixtures at or in the Property and sell the same separately from the Property or its site;
- (f) To settle, arrange, compromise or submit to arbitration any accounts, claims, questions or disputes whatsoever which may arise in connection with any business of the Mortgagor or the Property or in any way relating to this security;
- (g) To bring, take, defend, compromise, submit to arbitration or discontinue any actions, suits or proceedings whatsoever whether civil or criminal in relation to the matters referred to in clause 9.3.8(f);
- (h) To disclaim, abandon or disregard all or any outstanding contracts of the Mortgagor and to allow time for payment of any debt either with or without security;
- (i) To repair, insure, manage, protect, improve, enlarge, develop, build, complete or reconstruct or replace all or any part of the Property and to apply for and obtain any appropriate permissions approvals consents or licences;
- (j) To acquire by purchase lease or otherwise any further property assets or rights;
- (k) To appoint employ and dismiss managers, officers, contractors and agents;
- (l) To do (whether in the name of the Mortgagor or otherwise) all such other acts and things as he may consider necessary or desirable for the preservation, management, improvement or realisation of the Property or as he may consider incidental or conducive to any of the above matters or to the exercise of any of the above powers and for those purposes the

Mortgagor authorises the receiver to elect to waive exemption under the Value Added Tax Act 1994 Schedule 10 paragraph 2(1) on behalf of the Mortgagor in respect of the Property.

9.3.9 All money received by any receiver shall be applied by him:

- (a) In payment of the costs, charges and expenses of and incidental to the appointment of the receiver and the exercise of all or any of his powers and of all outgoings paid by him (including preferential debts);
- (b) In payment to the receiver of such remuneration as may be agreed between him and the Lender at, or at any time and from time to time after, his appointment;
- (c) In or towards satisfaction of the amount owing on this security and the surplus (if any) shall be paid to the Mortgagor or other persons entitled to it.

9.4 Right to consolidate

Section 93 of the Act (restricting the Lender's right of consolidation) shall not apply to this security.

10. Protection of persons dealing with the Lender or a receiver

No person dealing with the Lender or any receiver appointed by him shall be concerned bound or entitled to inquire or be affected by notice as to any of the following matters:

- 10.1** Whether this security has become enforceable;
- 10.2** Whether any power exercised or purported to be exercised under this mortgage has arisen or become exercisable;
- 10.3** The Property, regularity or purpose of the exercise or purported exercise of any such power;
- 10.4** Whether any money remains due under the security; or
- 10.5** The necessity or expediency of the stipulations and conditions subject to which any disposition shall be made;

and the receipt of the Lender or any receiver for any money shall be effectually discharge the person paying from such matters and from being concerned to see to the application or being answerable for the loss of misapplication of such money.

11. Indulgence and waiver

The Lender may at any time or times without discharging or diminishing or in any way prejudicing or affecting this security or any right or remedy of the Lender under this mortgage grant to the Mortgagor, or to any other person, time or indulgence, further credit, loans or advances or enter into any arrangement or variation of rights or, either in whole or in part, release, abstain from perfecting or enforcing or neglect or fail to perfect or enforce any remedies, securities, guarantees or rights which he may now or subsequently have from or against the Mortgagor or any other person.

12. Demands and notices

12.1 A demand or notice by the Lender under this mortgage shall be deemed to have been properly served on the Mortgagor if served personally on the Mortgagor by first class letter post, telex or fax addressed to the Mortgagor at or by delivery to his usual or last known place of abode or business

12.2 Service shall be deemed to be effected notwithstanding the death of the Mortgagor:

12.2.1 At 10am on the second business day immediately following the day of posting if given by first class letter post irrespective of the time or date of actual delivery or lack of delivery,

12.2.2 When dispatched if given by telex or fax, and

12.2.3 When left at the Property concerned if delivered.

12.3 The methods of service described in clause 8.1 are in addition, and without prejudice, to any other method of service prescribed or permitted by law and in particular to the provisions of the Act section 196.

12.4 If the expression 'the Mortgagor' includes more than one person, service on any one person shall be deemed to constitute service upon all such persons.

13. Validity and severability

13.1 Each of the provisions of this mortgage is severable and distinct from the others and if at any time one or more of such provisions is or becomes invalid, illegal or unenforceable the validity, legality and enforceability of the remaining provisions shall not be affected or impaired.

13.2 If this mortgage is executed by or on behalf of more than one person and any one or more of those persons is not bound by its provisions (whether by reason of lack of capacity or improper execution or for any other reason), the remaining parties shall continue to be so bound as if those who are not bound had not been parties to the security.

14. Interpretation

14.1 Unless the context otherwise requires:

14.1.1 The singular includes the plural and vice versa,

14.1.2 References to persons include references to firms companies or corporations and vice versa, and

14.1.3 References in the masculine gender include references in the feminine or neuter genders and vice versa.

14.2 Unless the context otherwise requires the expressions 'the Mortgagor' and 'the Lender' include their respective successors and assigning whether immediate or derivative and where appropriate the survivors or survivor of them.

14.3 All covenants, charges, agreements, undertakings, representations and warranties given or implied in this mortgage by more than one person shall be deemed to have been given jointly and severally by those concerned.

14.4 References to any statutory provision shall be constructed as including any statutory modification or re-enactment of it and any order, regulation, directive, or code of practice made under it or associated with it.

14.5 The clause headings do not form part of this mortgage and shall not be taken into account in its construction or interpretation.

14.6 Any reference to a clause or a paragraph or a schedule is to one in this mortgage so numbered or named.

15. Governing law and jurisdiction

15.1 This mortgage shall be governed by and constructed in accordance with English and Welsh Law.

15.2 It is irrevocably agreed for the exclusive benefit of the Lender that the courts of Wales are to have jurisdiction to settle any disputes which may arise out of or in connection with this mortgage and that accordingly any suit, action or proceeding arising out of or in connection with this mortgage may be brought in such courts.

15.3 Nothing in this clause shall limit the Lender's right to take proceedings against the Mortgagor in any other court of competent jurisdiction, nor shall the taking of proceedings in one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not.


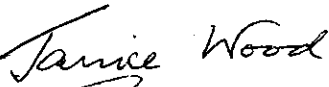
SCHEDULE

The Property

The land shown edged red on the plan annexed hereto and being land at Llanrhysud
Aberystwyth and being part of the land registered at HM Land Registry under Title
Number WA956605

EXECUTED as a Deed by)
MORGAN'S PROPERTIES (WALES) LIMITED)

EXECUTED as a Deed by)
BARNETT WADDINGHAM TRUSTEES LIMITED)
Acting by two Directors:)
And by)
DAVID STEPHEN WOOD, JANICE WOOD)
AND KUSUM TANDON)
In their capacities as Trustees of the)
Woods Building Supplies Pension Scheme)

 N.P. Hedge
 Janice Wood
