Companies House

MR01(ef)

Registration of a Charge

Company name: **CHARTFORD DEVELOPMENTS LIMITED**

Company number: **10268092**

Received for Electronic Filing: **07/12/2016**

X5LC7VRK

Details of Charge

Date of creation: **01/12/2016**

Charge code: **1026 8092 0002**

Persons entitled: **COMMERCIAL DEVELOPMENT PROJECTS LIMITED**

Brief description:

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

Certified by: **GLEN SALT**

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 10268092

Charge code: 1026 8092 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 1st December 2016 and created by CHARTFORD DEVELOPMENTS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 7th December 2016 .

Given at Companies House, Cardiff on 8th December 2016

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006

Companies House

THE OFFICIAL SEAL OF THE REGISTRAR OF COMPANIES

DATED 1st December 2016

(1) CHARTFORD DEVELOPMENTS LIMITED

(2) COMMERCIAL DEVELOPMENT PROJECTS LIMITED

DEBENTURE

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THIS DEBENTURE is made by deed on the 16th day of December 2016

BETWEEN:

(1) **CHARTFORD DEVELOPMENTS LIMITED** registered in England and Wales under number 10268092 whose registered office is at The Tannery 91 Kirkstall Road Leeds LS3 1HS (the "**Company**"); and

(2) **COMMERCIAL DEVELOPMENT PROJECTS LIMITED** registered in England and Wales under number 00993768 whose registered office is at Marshall House Huddersfield Road Elland HX5 9BW (the "**Lender**").

NOW THIS DEED WITNESSES as follows:

1 Definitions and Interpretation

1.1 Definitions

In this Deed, unless the context otherwise requires:

"Administrator" means an administrator for the purposes of schedule B1 to the Insolvency Act 1986 (as inserted by section 248 of, and schedule 16 to, the Enterprise Act 2002).

"Authorisation" means an authorisation, approval, consent, licence, permit, exemption, registration or filing necessary or desirable for the ownership, use or enjoyment of the Charged Assets or the validity or effectiveness of this Deed or its admissibility in evidence in England and Wales.

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

"Charged Assets" means all the assets of the Company which are from time to time subject to the security interests created by this Deed and references to the Charged Assets shall be interpreted to mean both the whole and any part of such assets and any interest therein.

"Debts" means all book debts, other debts, receivables and liabilities of any kind whatsoever now or at any time hereafter (and from time to time) due, owing or payable to the Company including without limitation all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person.

"Default Rate" means the rate of 4% per annum above the base rate of National Westminster Bank plc from time to time.

"Enforcement Event" means the occurrence of any of the following events or circumstances:

(a) the Lender demands the payment or discharge of all or any part of the Secured Liabilities (following the Company failing to pay or discharge any of the Secured Liabilities when due for payment or discharge);

(b) the Company breaches any of the provisions of this Deed;

(c) the Company is or becomes unable to pay its debts as they fall due or the value of the Company's assets is less than the amount of its liabilities taking into account the Company's contingent and prospective liabilities, or the Company commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of, or a composition with, its creditors;

(d) the Company passes any resolution or takes any corporate action, or a petition is presented or proceedings are commenced, or any step is taken by the Company or any other person for its winding-up, dissolution, administration or re-organisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of it or of any or all of its revenues or assets;

(e) a distress, execution, attachment or other legal process is levied, or enforced on or sued against, all or any part of the assets of the Company and remains undischarged for five Business Days;

(f) an encumbrancer takes possession of the whole or any part of the revenues or assets of the Company;

(g) any other Event of Default occurs; or

(h) any event occurs in relation to the Company which is analogous to any of those set out in Paragraphs (a) to (g) above

"Equipment" means all equipment, plant, machinery, tools, vehicles, furniture and other tangible moveable property now or at any time hereafter (and from time to time) owned by the Company, and any part thereof, together with all spare parts, replacements, modifications and additions thereto.

"Event of Default" has the meaning given to that term in the Facility Agreement

"Facility Agreement" means the loan agreement dated on or about the date of this Deed and made between the Lender and the Company.

"Financial Collateral" has the meaning given to that expression in the Financial Collateral Regulations.

"Financial Collateral Regulations" the Financial Collateral Arrangements (No. 2) Regulations 2003.

"Insurance Policies" means all present and future policies of insurance or assurance held or maintained by the Company (including in respect of the Charged Assets) and all claims and recoveries under those policies.

"Intellectual Property" means any present or future rights or interests of the Company in respect of any patent, trade mark, service mark, trade name, registered design, design rights, copyrights, know-how and any other rights in intellectual property whether registered or unregistered and any registration or application for registration including all present and

future fees, royalties and other income or rights derived therefrom or incidental thereto and including the benefit of all present and future agreements relating to the use of a licensing or exploitation of any such rights.

"Menston Agreement"
the Project Management and Development Agreement entered into on or around the date of this Deed between (1) the Company and (2) Chartford White Rose Limited relating to the property at Bingley Road, Menston

"Party" means a party to this Deed and includes its successors in title, permitted assigns and permitted transferees, whether immediate or derivative.

"Properties" means all freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or at any time hereafter (and from time to time) owned by the Company or in which the Company holds an interest and **"Property"** means any of them.

"Receiver" means a receiver or receiver and manager or, where permitted by law, an administrative receiver of the whole or any part of the Charged Assets and that term will include any appointee made under a joint and/or several appointment.

"Relevant Legislation" means all laws, directions, regulations, codes of practice, guidance notes, circulars and the like concerning the protection of the environment, human health or working conditions at any Property, or the actual or proposed use or development of any Property.

"Reservations" means:

(a) the principle that equitable remedies are remedies which may be granted or refused at the discretion of the court;

(b) the limitation of enforcement by laws relating to bankruptcy, insolvency, liquidation, reorganisation, court schemes, moratoria, administration and other laws generally affecting the right of creditors;

(c) the time barring of claims under laws relating to limitation of actions;

(d) the possibility that an undertaking to assume liability for or to indemnify a person against non payment of stamp duty may be void;

(e) defences of set-off or counter-claim; and

(f) similar principles and similar matters arising under the laws of any foreign jurisdictions in which the relevant obligations may have to be performed.

"Secured Liabilities" means all present and future moneys, obligations and liabilities due, owing or incurred from or by the Company to the Lender, whether actual or contingent and whether owed jointly or severally, as principal or surety and/or in any other capacity whatsoever (and references to the Secured Liabilities include any of them).

"Securities" means all stocks, shares, loan capital, securities, bonds and investments of any kind whatsoever (whether or not marketable) now or at any time hereafter (and from time to time) owned (at law or in equity) by the Company, together with all allotments offered or arising in respect thereof or incidental thereto.

"Security Financial Collateral Arrangement" has the meaning given to that expression in the Financial Collateral Regulations.

"Security Interest" means a mortgage, charge, pledge, lien, assignment by way of security or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Security Period" means the period from the date of this Deed until the Lender confirms in writing to the Company that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.

1.2 Interpretation

In this Deed, unless the context otherwise requires:

1.2.1 each reference to this Deed, the Facility Agreement or any other agreement or instrument is a reference to this Deed, the Facility Agreement or such other agreement or instrument as amended, novated, replaced, restated, supplemented or varied from time to time;

1.2.2 each reference to a provision of law is a reference to that provision as amended, replaced or re-enacted from time to time;

1.2.3 any grant of rights for full title guarantee shall be deemed to contain all of the covenants and warranties implied in respect of any conveyance with full title guarantee pursuant to section 1(2) of the Law of Property (Miscellaneous Provisions) Act 1994;

1.2.4 Clause and Schedule headings are for ease of reference only;

1.2.5 each reference to a Clause or Schedule is a reference to a Clause or Schedule of this Deed;

1.2.6 words importing the singular shall include the plural and vice versa;

1.2.7 words importing one gender will be treated as importing any gender;

1.2.8 a reference to any person includes that person's successors and (in the case of the Lender only) its permitted assignees and transferees;

1.2.9 a reference to any person is to be construed to include references to a corporation, firm, company, partnership, joint venture, unincorporated body of persons, individual or any agency of a state, whether or not a separate legal entity;

1.2.10 the words **"include"**, **"including"**, **"in particular"** and any similar expression shall not be construed as implying any limitation, and general words introduced by **"other"**, **"otherwise"** or any similar expression will not be given a restrictive meaning by reason of the fact that they are preceded or followed by words indicating a particular class, of acts, matters or things;

1.2.11 words and expressions defined in the Facility Agreement shall have the same meaning when used in this Deed unless otherwise defined in this Deed;

1.2.12 the provisions of clauses 1.2 to 1.11 (both inclusive) of the Facility Agreement (Interpretation) shall apply to this Deed as though they were set out in full in this Deed but with each reference to **"this Agreement"** being replaced with reference to **"this Deed"**; and

1.2.13 in the event of any conflict between the terms of the Facility Agreement and the terms of this Deed, the terms of the Facility Agreement shall prevail.

1.3 Enterprise Act 2002

Paragraph 14 of schedule B1 to the Insolvency Act 1986 (as inserted by section 248 of, and schedule 16 to, the Enterprise Act 2002) applies to the floating charge created by this Deed.

1.4 Effect of this Deed

This Deed is intended to take effect as a deed notwithstanding that a Party may have executed it under hand only.

2 Covenant to Pay

The Company covenants that it will pay to the Lender or discharge all Secured Liabilities on the due date or dates for payment or discharge or, in the absence of any agreed or specified due dates, immediately on demand by the Lender.

3 Grant of Security

3.1 Security

As a continuing security for the payment and discharge of the Secured Liabilities, the Company with full title guarantee hereby:

3.1.1 charges to the Lender by way of first legal mortgage, all Properties which are currently owned by the Company; and

3.1.2 charges to the Lender by way of first fixed charge:

(a) all Properties hereafter acquired by the Company;

(b) the Securities;

(c) all present and future rights, licences, guarantees, contracts and warranties relating to the business carried on from time to time by the Company;

(d) all present and future goodwill of the Company and all uncalled capital for the time being of the Company;

(e) the Equipment;

(f) all Intellectual Property;

(g) the Debts; and

3.1.3 assigns to the Lender (subject to reassignment on the expiry of the Security Period) all right, title and interest of the Company in and to the Insurance Policies; and

3.1.4 (without prejudice to the generality of the above) charges to the Lender by way of first fixed charge and assigns to the Lender (subject to reassignment on the expiry of the Security Period) all right, title and interest of the Company in and to the Menston Agreement

3.1.5 charges to the Lender, by way of first floating charge, all the undertaking, property, assets and rights of the Company from time to time, including any property, assets and rights not effectively mortgaged or charged by fixed charge or assigned pursuant to Clauses 3.1.1, 3.1.2 and 3.1.3.

3.2 Effect of assignment

Notwithstanding the assignment in Clause 3.1.3 the Company will remain liable to perform all the obligations to be performed on the part of the Company in respect of the assets assigned and the Lender shall have no obligation of any kind in respect of those assets nor any liability to perform the Company's obligations thereunder, unless the Lender expressly agrees otherwise in writing. The Company will indemnify the Lender in respect of all liabilities which the Lender may incur in respect of the assets assigned under Clause 3.1.3.

3.3 Crystallisation of floating charge by notice

Without prejudice to any other circumstances in which such floating charge may crystallise, the Lender may at any time and from time to time by written notice to the Company convert the floating charge created by this Deed into a fixed charge in respect of any part of the Charged Assets.

3.4 Automatic crystallisation of floating charge

Notwithstanding Clause 3.2 (Crystallisation of floating charge by notice) and without prejudice to any law which may have a similar effect, the floating charge created by this Deed will upon the occurrence of an Enforcement Event automatically be converted (without notice) with immediate effect into a fixed charge in respect of all the assets subject to the floating charge.

3.5 Effect of crystallisation of floating charge

Following any conversion or crystallisation of the floating charge created by this Deed, whether or not pursuant to Clause 3.2 (Crystallisation of floating charge by notice) or Clause 3.3 (Automatic crystallisation of floating charge), the Company will no longer have the right to sell the relevant Charged Assets pursuant to Clause 4.2 (Security interests and disposals).

3.6 Priority

The charges and assignments created by this Deed:

3.6.1 rank as first charges and assignments; and

3.6.2 are given with full title guarantee.

3.7 Title Documents

The Company will on request by the Lender deposit with the Lender and the Lender will during the continuance of this security be entitled to hold all deeds and documents of title relating to the Charged Assets and all Insurance Policies.

4 Security Interests and Disposals

The Company covenants with the Lender that the Company will not at any time, except with the prior written consent of the Lender:

4.1 create or purport to create or permit to subsist any Security Interest on or in relation to the Charged Assets other than this Deed;

4.2 sell, assign, transfer, lease, licence, share occupation of part with possession of or otherwise dispose of all or any part of the Charged Assets or any interest therein, except (in the case of the Charged Assets which are at that time subject only to a floating charge) by way of sale in the ordinary course of the Company's business and for the purpose of carrying on that business; or

4.3 agree to do any of the things referred to in Clause 4.1 or 4.2.

5 Representations and Warranties

The Company makes the representations and warranties set out in this Clause 5 to the Lender.

5.1 Status

5.1.1 The Company is a private limited company, duly incorporated and validly existing under the laws of England and Wales.

5.1.2 The Company has the power to own its assets and carry on its business as it is being conducted.

5.2 Binding Obligations

The obligations expressed to be assumed by the Company in this Deed are, subject only to the Reservations, legal, valid, binding and enforceable obligations.

5.3 Non-conflict with other obligations

The entry into and performance by the Company of, and the transactions contemplated by this Deed do not and will not conflict with:

5.3.1 any law or regulation or judicial or official order applicable to it;
5.3.2 its constitutional documents; or

5.3.3 any agreement or instrument binding upon it or any of its assets.

5.4 Power and Authority

The Company has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of this Deed and the transactions contemplated by this Deed.

5.5 Authorisations

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

5.6 Title

5.6.1 The Company is the sole legal and beneficial owner of, and has good and marketable title to, all the Charged Assets.

5.6.2 Other than this Deed, there are no Security Interests affecting the Charged Assets.

5.6.3 There are no agreements, options or other arrangements which affect the Charged Assets.

5.6.4 The Company has not received notice of any adverse claim by any person in respect of the ownership of the Charged Assets or any interest in any of them.

5.6.5 All documents necessary to show good and marketable title to the Charged Assets are in the possession of, or held to the order of, the Lender.

5.7 Ranking of security

The Security Interests conferred by this Deed constitute first priority Security Interests of the type, and on the assets, described in this Deed and are not liable to avoidance on liquidation or administration.

5.8 No filing or stamp taxes

Save for registration of this Deed at the Companies Registry for England and Wales, it is not necessary that this Deed be filed, recorded or enrolled

with any court or other authority in any jurisdiction or that any stamp, registration or similar tax be paid on or in relation to this Deed or the transactions contemplated by this Deed.

5.9 Repetition

The representations and warranties set out in this Clause 5 shall be deemed to be made by the Company, by reference to the facts and circumstances then existing, on each day during the Security Period.

6 Covenants Relating to the Charged Assets

6.1 Properties

The Company will:

6.1.1 keep all buildings on each Property and all fixtures belonging to the Company thereon and therein in good and substantial repair and condition and insured to their full reinstatement value;

6.1.2 not without the prior written consent of the Lender make any material alterations to any Property or carry out any development thereon;

6.1.3 observe and perform all covenants, stipulations and conditions to which each Property or the user thereof is now or may hereafter be subject;

6.1.4 permit the Lender and any Receiver and any person appointed by either of them to enter upon any Property and inspect it and any other Charged Assets thereon upon reasonable prior notice.

6.2 Securities

The Company will exercise all rights in connection with the Securities in accordance with the directions of the Lender from time to time.

6.3 Debts and Insurances

The Company will:

6.3.1 not without with the prior written consent of the Lender release, exchange, compound, set-off, grant time or indulgence in respect of, or in any other manner deal with, all or any of the Debts save as hereinafter expressly provided;

6.3.2 pay the proceeds of the Debts into the account maintained by the Company with the Lender from time to time;

6.3.3 ensure that the interest of the Lender is noted on all Insurance Policies and, if requested, produce to the Lender copies of all Insurance Policies and evidence of payment of premiums in respect thereof.

6.4 Equipment

The Company will maintain the Equipment in good and serviceable condition (fair wear and tear excepted) and keep it insured against usual business risks for its full reinstatement or replacement value.

6.5 Intellectual Property

The Company will take all necessary action to safeguard and maintain present and future rights, in or relating to the Intellectual Property including, without limitation, observing all covenants and stipulations relating thereto, applying for registration thereof and paying all applicable renewal fees, licence fees and other outgoings, and taking action against any third parties for the unauthorised use or exploitation thereof.

6.6 Authorisations

The Company will at all times acquire and maintain all Authorisations and will comply with all their terms and conditions relating to all Authorisations and will not do or permit any act or omission whereby any Authorisation might be liable to be varied or revoked.

6.7 Preservation of Charged Assets

The Company will not do, or permit to be done, any act or thing which will or might materially diminish the value of any of the Charged Assets or the effectiveness of the security created by this Deed.

6.8 Information and Notices

The Company will:

6.8.1 produce to the Lender such documents or information relating to the Charged Assets as the Lender may from time to time reasonably request and promptly deliver to the Lender a copy of any notice, order or proceedings served by any person on the Company concerning any Charged Assets, or alleging any breach by the Company of its obligations relating to the Charged Assets.

6.8.2 if requested by the Lender, without delay and at its own cost take all reasonable or necessary steps to comply with any notice, order or proceedings referred to in Clause 6.8.1.

6.8.3 at the request of the Lender, without delay and at its own cost give notice to such persons specified by the Lender of the security created by this Deed.

7 Power to Remedy

7.1 Power to remedy

If the Company at any time defaults in complying with any of its obligations contained in this Deed, the Lender shall, without prejudice to any other rights arising as a consequence of such default, be entitled to make good such default and the Company irrevocably authorises the

Lender and its employees and agents by way of security to do all such things necessary or desirable in connection with the same.

7.2 Expenditure

Any moneys expended by the Lender pursuant to exercise of its powers under Clause 7.1 shall be repayable by the Company to the Lender on demand together with interest at the Default Rate from the date of payment by the Lender until such repayment, both before and after judgment.

7.3 No liability to account

The exercise by the Lender of its rights under this Clause 7 shall not make the Lender liable to account as a mortgagee in possession.

8 Enforcement

8.1 Enforcement

At any time on or after the occurrence of an Enforcement Event, or if requested by the Company, the Lender may, without further notice and whether or not a Receiver shall have been appointed, exercise all the powers conferred upon mortgagees by the Law of Property Act 1925, as varied or extended by this Deed, and all the powers and discretions conferred by this Deed on a Receiver either expressly or by reference.

8.2 Statutory power of sale

The statutory power of sale shall, as between the Lender and a purchaser from the Lender, arise on and be exercisable at any time after the execution of this Deed, provided that the Lender will not exercise such power of sale until the security constituted by this Deed has become enforceable pursuant to Clause 8.1.

8.3 Extension of statutory powers

The Lender shall have the power to lease and make agreements for leases at a premium or otherwise, to accept surrenders of leases and to grant options on such terms as the Lender shall consider expedient and without the need to observe any of the provisions of sections 99 and 100 of the Law of Property Act 1925.

8.4 No obligation to enquire

No person dealing with the Lender or any Administrator or Receiver appointed hereunder, or its agents or brokers, shall be concerned to enquire whether the security constituted by this Deed has become enforceable, or whether any power exercised or purported to be exercised has become exercisable, and such dealing shall be deemed to be within the powers hereby conferred and to be valid and effectual accordingly.

8.5 No liability as mortgagee in possession

None of the Lender, the Administrator or the Receiver shall be liable to account as mortgagee in possession in respect of all or any of the Charged Assets nor shall any of them be liable for any loss upon realisation of, or for any neglect or default of any nature whatsoever in connection with all or any of the Charged Assets for which a mortgagee in possession might as such be liable.

8.6 Appropriation

8.6.1 To the extent that the Charged Assets constitute Financial Collateral and this Deed and the obligations of the Company hereunder constitute a Security Financial Collateral Arrangement, the Lender shall have the right, at any time after the security constituted this Deed has become enforceable, to appropriate all or any of the Charged Assets in or towards the payment and/or discharge of the Secured Liabilities in such order as the Lender in its absolute discretion may from time to time determine.

8.6.2 The value of any Charged Assets appropriated in accordance with this Clause 8.6 shall be the price of those Charged Assets at the time the right of appropriation is exercised as listed on any recognised market index, or determined by such other method as the Lender may select (including independent valuation). The Company agrees that the methods of valuation provided for in this Clause 8.6 are commercially reasonable for the purposes of the Financial Collateral Regulations.

9 Administrator or Receiver

9.1 Appointment of Administrator or Receiver

At any time after the security constituted by this Deed becomes enforceable, or at the request of the Company, the Lender may without further notice:

9.1.1 appoint under seal or by writing under hand of a duly authorised officer of the Lender any one or more person or persons to be an Administrator or a Receiver of all or any part of the Charged Assets (the expressions Administrator and Receiver shall, where the context so admits, include any person substituted as administrator or receiver or receiver and manager or administrative receiver under the power hereinafter contained); and

9.1.2 (subject to section 45 of the Insolvency Act 1986) from time to time under seal or by writing under hand of a duly authorised officer of the Lender remove any person appointed to be Administrator or Receiver and may in like manner appoint another in his place.

9.2 More than one appointment

Where more than one person is appointed Administrator or Receiver, they will have power to act separately (unless the appointment by the Lender specifies to the contrary).

9.3 Additional powers

9.3.1 The powers of sale and appointing an Administrator or a Receiver conferred by this Deed shall be in addition to all statutory and other powers of the Lender under the Insolvency Act 1986 and the Law of Property Act 1925 or otherwise and shall be exercisable without the restrictions contained in sections 103 and 109 of the Law of Property Act 1925 or otherwise; and

9.3.2 The power to appoint an Administrator or a Receiver (whether conferred by this Deed or by statute) shall be and remain exercisable by the Lender notwithstanding any prior appointment in respect of all or any part of the Charged Assets.

9.4 Receiver as agent of the Company

Any Receiver appointed by the Lender under this Deed shall be the agent of the Company and the Company will be solely responsible for his acts and remuneration as well as for any defaults committed by him.

10 Powers of Receiver

Any Receiver appointed by the Lender under this Deed shall in addition to the powers conferred on him by the Law of Property Act 1925 and the Insolvency Act 1986 have power to do all such acts and things as an absolute owner could do in the management of such of the Charged Assets over which such Receiver is appointed, and in particular (but without limitation):

10.1 to take possession of and generally manage the Charged Assets and any business of the Company;

10.2 to carry out on any Property any new works or complete any unfinished works of building, reconstruction, maintenance, furnishing or equipment;

10.3 to purchase or acquire any land or other property and purchase acquire grant or release any interest in or right over land or the benefit of any covenants (positive or restrictive) affecting land;

10.4 to sell, lease, surrender or accept surrenders of leases, charge or otherwise deal with or dispose of the Properties without restriction including (without limitation) power to dispose of any fixtures separately from the land;

10.5 to carry into effect and complete any transaction by executing deeds or documents in the name of or on behalf of the Company;

10.6 to take continue or defend any proceedings and enter into any arrangement or compromise;

10.7 to insure the Charged Assets and any works and effect indemnity insurance or other similar insurance and obtain bonds and give indemnities and security to any bondsmen;

10.8 to call up any uncalled capital of the Company with all the powers conferred by the Articles of Association of the Company in relation to calls;

10.9 to employ advisers, consultants, managers, agents, workmen and others;

10.10 to delegate his powers in accordance with Clause 18.

10.11 to purchase or acquire materials, tools, equipment, goods or supplies;

10.12 to borrow any money and secure the payment of any money in priority to the Secured Liabilities for the purpose of the exercise of any of his powers; and

10.13 to do any other acts which the Receiver may consider to be incidental or conducive to any of his powers or otherwise expedient for the realisation of the Charged Assets.

11 Application of Proceeds

11.1 Order of application

All moneys received by the Lender or by any Receiver shall be applied, after the discharge of the remuneration and expenses of the Receiver and all liabilities having priority to the Secured Liabilities, in or towards satisfaction of such of the Secured Liabilities and in such order as the Lender in its absolute discretion may from time to time conclusively determine, except that the Lender may credit the same to a suspense account for so long and in such manner as the Lender may from time to time determine and the Receiver may retain the same for such period as he and the Lender consider expedient.

11.2 Section 109(8) Law of Property Act 1925

Neither the Lender nor any Receiver shall be bound (whether by virtue of section 109(8) of the Law of Property Act 1925, which is hereby varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order as between any of the Secured Liabilities.

12 Indemnities

12.1 Costs and Expenses

The Company will, on demand and on a full and unqualified indemnity basis, pay to the Lender the amount of all costs and expenses (including legal and out-of-pocket expenses and any value added tax on such costs and expenses) which the Lender and/or any Receiver incurs in connection with:

12.1.1 the preparation, negotiation, execution and delivery of this Deed and any related documents;

12.1.2 any stamping, filing or registration of this Deed;

12.1.3 any actual or proposed amendment or waiver or consent under or in connection with this Deed;

12.1.4 any discharge, release or reassignment of this Deed;

12.1.5 the actual or attempted preservation or exercise of any rights under or in connection with, and the actual or attempted enforcement of, this Deed;

12.1.6 obtaining payment of any of the Secured Liabilities;

12.1.7 dealing with or obtaining advice about any other matter or question arising out of or in connection with this Deed or any related document; and

12.1.8 all other moneys paid by the Lender in connection with this Deed including (without limitation) any costs, charges and expenses specifically referred to in any of the provisions in this Deed.

12.2 Recovery of Costs and Expenses

The costs, expenses and other monies referred to in Clause 12.1 shall be recoverable from the Company as a debt and may be debited to any account of the Company and shall bear interest accordingly at the Default Rate and shall be charged on the Charged Assets.

12.3 Indemnity from Charged Assets

The Lender and any Receiver, attorney, agent or other person appointed by the Lender under this Deed and the officers and employees of the Lender and any such Receiver, attorney, agent or other person (each an **"Indemnified Party"**) shall be entitled to be indemnified out of the Charged Assets in respect of all costs and losses which may be incurred by, or made against, any of them (or by or against any manager, agent, officer or employee for whose liability, act or omission any of them may be answerable) at any time relating to or arising out of or as a consequence of:

12.3.1 anything done or omitted in the exercise, or purported exercise, of the powers contained in this Deed; or

12.3.2 any breach by the Company of any of its obligations under this Deed; or

12.3.3 any claim made or asserted against an Indemnified Party under any Relevant Legislation which would not have arisen if this Deed had not been executed and which was not caused by the gross negligence or wilful default of the relevant Indemnified Party.

13 Power of Attorney

13.1 Power of attorney

The Company hereby irrevocably appoints the Lender and (jointly and severally) each and every Receiver appointed by the Lender under the provisions of this Deed to be the attorney of the Company and in the name and on behalf of the Company and as the Company's act and deed

or otherwise to sign, execute, seal, deliver, complete any blanks in and otherwise perfect any deed, transfer, assurance, agreement, instrument or act which such Receiver or the Lender may consider expedient in the exercise of any of his or its powers or in respect of the Company's obligations under this Deed. The power of attorney hereby granted is to secure the performance of obligations owed to the donees within the meaning of the Powers of Attorney Act 1971.

13.2 Confirmation

The Company covenants with the Lender and with any Receiver that if required to do so it shall ratify and confirm:

13.2.1 all transactions entered into by the Lender and/or any Receiver in the proper exercise of its or their powers in accordance with this Deed; and

13.2.2 all transactions entered into by the Lender and/or any Receiver in signing, sealing, delivering and otherwise perfecting any assignment, mortgage, charge, security, document or other act.

14 Independent and Continuing Security

14.1 Independent security

This Deed shall be in addition to and independent of every other security, guarantee or other right or remedy held by or available to the Lender for any of the Secured Liabilities or in respect of the Charged Assets, and it is hereby declared that no such other security, guarantee or other right or remedy shall merge in the security created by this Deed.

14.2 Continuing security

This Deed shall remain in full force and effect as a continuing security for the Secured Liabilities, notwithstanding any settlement of account or intermediate payment or other matter or thing whatsoever, until the expiry of the Security Period.

14.3 Settlements conditional

Any release, discharge or settlement between the Company and the Lender shall be conditional upon no payment or security received by the Lender in respect of the Secured Liabilities, whether from the Company or any other person, being avoided or reduced or ordered to be refunded pursuant to any provision of any enactment relating to insolvency, bankruptcy, winding-up, administration or receivership and, notwithstanding any such release, discharge or settlement:

14.3.1 the Lender or its nominee shall be at liberty to retain this Deed and the security created by or pursuant to this Deed, including all certificates and documents relating to the Charged Assets or any part thereof, for such period as the Lender shall deem necessary to provide the Lender with security against any such avoidance or reduction or order for refund; and

14.3.2 the Lender will be entitled to recover the value or amount of such security or payment from the Company subsequently and

to enforce this Deed as if such settlement, discharge or release had not occurred.

14.4 Subsequent security

14.4.1 If the Lender receives notice of any subsequent Security Interest affecting the Charged Assets or any part thereof, the Lender may open a new account for the Company.

14.4.2 If the Lender does not open a new account then, unless the Lender gives express written notice to the contrary to the Company, it shall nevertheless be treated as if it had opened a new account at the time when it received such notice and as from that time all payments made by or on behalf of the Company to the Lender shall be credited or be treated as having been credited to the new account and shall not operate to reduce the Secured Liabilities at the time when it received such notice.

15 Set-Off

15.1 Set-off

The Lender may at any time and without notice to the Company:

15.1.1 apply any credit balance which is at any time held by any office or branch of the Lender for the account of the Company in or towards satisfaction of any sum then due and payable from the Company under this Deed; and

15.1.2 set off any other liability of the Company to the Lender against any liability of the Lender to the Company, whether any of such liabilities are actual or contingent, present or future; and

15.1.3 if any relevant obligations are in different currencies, the Lender may convert the amount of any liability into a different currency at a market rate of exchange in the Lender's course of business.

15.2 Exercise of rights

The Lender is not obliged to exercise any of its rights under this Clause 15, which shall be without prejudice and in addition to any rights of set-off, combination of consolidation of accounts, lien or similar rights which the Lender has under any security, guarantee or other document or otherwise under any applicable law.

16 Currencies

16.1 Currency

If at any time any amount is paid or recovery is made in respect of the Secured Liabilities in a currency (**"payment currency"**) other than the currency in which the relevant obligation or liability has been incurred (**"contractual currency"**) the Lender may convert the amount of that payment or recovery into the contractual currency at the prevailing spot rate of exchange of the Lender (as determined conclusively by the Lender) for purchasing the contractual currency with the payment currency.

16.2 Indemnity

No payment to or recovery by the Lender shall discharge the obligation or liability in respect of which it is made or received unless and until the Lender shall have received payment in full without set-off, deduction or withholding in the contractual currency, and to the extent that the amount of any such payment or recovery shall on conversion fall short of such obligation or liability in the contractual currency the Company will on demand indemnify the Lender in full against the amount of such shortfall and pay interest at the Default Rate from the date of conversion to the date on which the shortfall is paid.

17 Further Assurance

17.1 Further assurance

The Company will, if and when required by the Lender:

17.1.1 execute such further Security Interests and assurances in favour of the Lender and do all such acts and things as the Lender shall from time to time require over or in relation to all or any of the Charged Assets to secure the Secured Liabilities or to perfect or protect the security intended to be created by this Deed over the Charged Assets or any part thereof or to facilitate the realisation of the same; and

17.1.2 affix to such items of the Charged Assets or endorse or cause to be endorsed thereon as the Lender shall stipulate such signs, labels, memoranda or other recognisable identification markings as the Lender shall require referring or drawing attention to the security constituted by or pursuant to this Deed.

17.2 Certain Documentary Requirements

Such further Security Interests and assurances shall be prepared by or on behalf of the Lender, at the expense of the Company, and shall contain an immediate power of sale without notice, a clause excluding section 93 of the Law of Property Act 1925, a clause excluding the restrictions contained in section 103 of the Law of Property Act 1925 and such other clauses for the benefit of the Lender as it may reasonably require.

18 Delegation

The Lender and any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed. Any such delegation may be made upon the terms (including power to sub-delegate) and subject to any regulations which the Lender or such Receiver (as the case may be) may think fit. Neither the Lender nor any Receiver will be in any way liable or responsible to the Company for any loss or liability arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate.

19 Indulgence

The Lender may in its discretion without prejudice either to this Deed or to the liability of the Company for the Secured Liabilities grant time or other indulgence

or make any other arrangement, variation or release with any person or persons not party to this Deed (whether or not such person or persons are jointly liable with the Company) in respect of any of the Secured Liabilities or of any other security therefor.

20 Notices

20.1 Communications in Writing

Any notice, demand or other communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made by fax or letter. Any such communication by the Lender may be signed by an officer, employee or agent of the Lender.

20.2 Communications by the Lender

Without prejudice to any other effective means of service, any notice, demand or other communication by the Lender may be served on the Company by delivery at, or by fax or by post to, the registered office or any place of business or last known address of the Company or by delivery to any director or the secretary of the Company. Any such notice, demand or other communication so served shall be deemed to have been received by the Company and to be effective:

20.2.1 if delivered personally, immediately upon delivery;

20.2.2 if by way of fax, when the Lender has received a sent facsimile transmission report; and

20.2.3 if sent by post, on the second Business Day following the day on which it was deposited in the post postage prepaid, even if returned undelivered.

Any demand made by the Lender shall be valid whether or not it contains an accurate statement of the amount of the Secured Liabilities.

20.3 Communication by the Company

Any communication to be made or delivered to the Lender will be treated as delivered for the purposes of this Deed only when actually received by the Lender.

21 Rights Cumulative

21.1 Rights cumulative

The rights and powers which this Deed confers on the Lender are cumulative, may be exercised as often as the Lender considers appropriate, and are in addition to its rights and powers under the general law.

21.2 Waiver

21.2.1 The rights of the Lender (whether arising under this Deed or under the general law) shall not be capable of being waived or varied otherwise than by an express waiver or variation in writing.

21.2.2 No failure to exercise nor any delay in exercising any such right shall operate as a variation or waiver of that or any other such right. Any defective or partial exercise of any such right shall not preclude any other or further exercise of that or any other such right, and no act or course of conduct or negotiation on its part or on its behalf shall in any way preclude the Lender from exercising any such right or constitute a suspension or variation of any such right.

22 Consolidation

The restriction on the right of consolidating mortgages contained in section 93 of the Law of Property Act 1925 shall not apply to this Deed.

23 Partial Invalidity

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

24 Transfers

24.1 Transfer by the Lender

The Lender may without restriction assign, transfer or declare a trust in respect of the whole or any part of its rights and obligations under or in respect of this Deed.

24.2 Transfer by the Company

The Company may not assign or transfer any of its rights and obligations under or in respect of this Deed or enter into any transaction which would result in any of those rights and obligations passing to another person.

24.3 Disclosure of Information

The Lender may disclose to any person related to the Lender and/or any person to whom it is proposing to assign, transfer or declare a trust in respect of the whole or any part of its rights and obligations under or in respect of this Deed or has already done so, any information about the Company and any person connected or associated with the Company. The Company represents and warrants that the Company has (and, subject to any contrary requirement of law, will maintain) any necessary authority and consent by or on behalf of any such connected or associated persons.

25 Third Party Rights

Save as permitted in this Deed, a person who is not a Party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed. This Clause 25 does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act. Notwithstanding any term of this Deed, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.

26 **Counterparts**

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

27 **Governing Law and Jurisdiction**

This Deed, and any non-contractual obligations arising out of or in connection with it, shall be governed by and construed in accordance with English law and the Company irrevocably submits to the non-exclusive jurisdiction of the English courts.

IN WITNESS of which this Deed has been entered into and has been caused to be delivered on the date first stated.

EXECUTION PAGE

EXECUTED as a **DEED** by)
CHARTFORD DEVELOPMENTS)
LIMITED acting by one director)
in the presence of:-)

NEIL M CLARK

Signature of witness

Full name of witness

Address of witness

Occupation of witness

EXECUTED as a **DEED** by)
COMMERCIAL DEVELOPMENT)
PROJECTS LIMITED acting by)
one director in the presence of :-)

SIMON MARSHALL

Signature of witness

Full name of witness

Address of witness

Occupation of witness