



Registration of a Charge

Company name: **ASHFLAME CARDINGTON LIMITED**

Company number: **11101754**

Received for Electronic Filing: **28/01/2020**



X8XM68C1

Details of Charge

Date of creation: **17/01/2020**

Charge code: **1110 1754 0001**

Persons entitled: **PAUL PELHAM, VALERY PELHAM AND NETTLECOMBE LIMITED**

Brief description: **THE FREEHOLD PROPERTY KNOWN AS LAND AT COLLEGE FARM, SHORTSTOWN, BEDFORD REGISTERED AT THE LAND REGISTRY UNDER TITLE NUMBERS BD314462 AND BD83483 AND SHOWN EDGED RED ON THE PLAN APPENDED TO THE DOCUMENT**

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:

BURGES SALMON LLP (AL11)



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 11101754

Charge code: 1110 1754 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 17th January 2020 and created by ASHFLAME CARDINGTON LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 28th January 2020 .

Given at Companies House, Cardiff on 29th January 2020

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

17 January

2020

LEGAL CHARGE

relating to

Land at College Farm, Shortstown, Bedford

Paul Pelham and Valery Pelham

(1)

and

Nettlecombe Limited

(2)

and

Ashflame Cardington Limited

(3)

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THIS LEGAL CHARGE dated

17 January

2020

made

BETWEEN:

- (1) **PAUL PELHAM AND VALERY PELHAM** of [REDACTED] ("Chargee 1");
- (2) **NETTLECOMBE LIMITED** (Company Registration Number 03327054) whose registered office is at Old Library Chambers, 21 Chipper Lane, Salisbury, Wiltshire SP1 1BG ("Chargee 2");
- (3) **ASHFLAME CARDINGTON LIMITED** incorporated and registered in England and Wales with company number 11101754 whose registered office is at Gallagher House, Gallagher Way, Gallagher Business Park, Warwick CV34 6AF ("Chargor")

WITNESSES as follows:

1 INTERPRETATION

1.1 Definitions:

In this Deed, unless the context otherwise requires:

Act means any statute or statutory instrument currently in force including any amendment or re-enactment of it; all current orders, instruments, regulations, notices, directions, bye-laws, permissions, consents, licences, authorisations, permits and plans made or issued under it or deriving validity from it and any other obligation imposed by law; and all regulations, laws and directives made or issued by or with the authority of the European Commission and/or the Council of Ministers and "**Acts**" shall be construed accordingly;

Additional Consideration Agreement means the contract dated 17 December 2019 made between the Chargees (1), the Chargor (2) and Ashflame Properties Limited (3) as amended or varied from time to time;

Affordable Housing means either Social Rented Housing or Intermediate Housing or any combination of the same or any other form of housing subject to restriction in respect of occupiers and/or tenure or carrying a subsidy for land or building cost;

Authority means any governmental body, agency, department or regulatory, self-regulatory or other authority including, without limitation, local and public authorities and statutory undertakings;

Charged Assets means all the property and rights of the Chargor described in clause 3.1;

Chargees means Chargee 1 and Chargee 2 both as Trustees of The GH Trust together with their successors in office as such Trustees;

Chargees' Solicitors means Burges Salmon LLP of One Glass Wharf, Bristol BS2 0ZX (Ref: RS17/56414.1);

Collateral Instruments means negotiable and non-negotiable instruments, guarantees, indemnities and other assurances against financial loss and any other documents or instruments which contain or evidence an obligation (with or without security) to pay, discharge or be responsible directly or indirectly for any liabilities of any person and includes any document or instrument creating or evidencing an Encumbrance;

Default Rate means 4% per cent. per annum above the base rate of Barclays Bank plc from time to time;

Dispose or Disposal means any disposition within the meaning of section 205 of the Law of Property Act 1925 or section 27(2) of the Land Registration Act 2002;

Dwelling means a dwelling to be constructed on the Property and "Dwellings" shall be construed accordingly;

Encumbrance means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, standard security, assignment by way of security or other security interest of any kind;

Enforcement Date means the date on which an Event of Default occurs;

Environmental Claim means any claim, notice of violation, prosecution, demand, action, official warning, abatement or other order (conditional or otherwise) relating to Environmental Matters and any notification or order requiring compliance with the terms of any Environmental Licence or Environmental Laws;

Environmental Laws includes all or any laws, statutes, rules, regulations, treaties, directives, directions, by-laws, codes of practice, circulars, guidance notes, orders, notices, demands, decisions of the courts or anything like any of the foregoing of any governmental authority or agency or any regulatory body or any other body whatsoever in any jurisdiction or the European Community relating to Environmental Matters applicable to the Property, the operation of any business from or using the Property or the occupation or use of the Property;

Environmental Licence means any permit, licence, authorisation, consent or other approval required at any time by any Environmental Laws in relation to the Property or the occupation or use of, or the operation of any business from or using, the Property;

Environmental Matters means (a) the generation, deposit, disposal, keeping, treatment, transportation, transmission, handling, importation, exportation, processing, collection, sorting, presence or manufacture of any waste (as defined in the Environmental Protection Act 1990) or any Relevant Substance; (b) nuisance, noise, defective premises, health and safety at work or elsewhere; (c) the carrying out of any development (as defined in section 55(1) Town and Country Planning Act 1990); and (d) the pollution, conservation or protection of the environment (both natural and built) or of man or any living organisms supported by the environment or any other matter whatsoever affecting the environment or any part of it;

Event of Default means any of the events or circumstances described in Schedule 3;

Insurances means all present and future contracts or policies of insurance effected by the Chargor in respect of the Property in accordance with this Deed or to which the Chargor is entitled in respect of the Charged Assets;

Intermediate Housing includes:

- (a) discounted sale homes which are provided at a discount to market value; and
- (b) shared equity homes including those subject to an equity loan or a shared ownership lease;

Material Environmental Effect means a material adverse effect in the reasonable opinion of the Chargees on (i) the financial condition of the Chargor or if the Chargor is a company, any of its Subsidiaries or (ii) the ability of the Chargor to perform its obligations under or otherwise comply with the terms of this Deed or (iii) the use value or marketability of the Property;

Permitted Disposal means

- (a) the disposal to a statutory undertaker, utility company or other similar body of any part of the Property or service within the Property and/or rights over any part of

the Property for the provision of an electricity sub-station, gas governor, pumping station, Service Media or other similar facility required by such statutory undertaker, utility company or other similar body providing any utilities or Services for development of the Property and/or the dedication or adoption of any part(s) of the Property or Service Media within the Property and/or the grant of any rights over any part(s) of the Property to or in favour of any such body for such purposes;

- (c) the disposal to a highway authority of any part of the Property in respect of highway works (including for the avoidance of doubt roads, footpaths, cycleways and all other highway works relating to the adoption of the same) and/or the dedication or adoption of any part(s) of the Property and/or the grant of any rights over any part(s) of the Property to a highway authority in respect of highway works (including any agreement made under Sections 38 or 278 of the Highways Act 1980);
- (d) the disposal to a local or other statutory body of any part of the Property which is required under any planning obligation to be used as public open space, woodland, play area, tree belt, recreation area or other amenity or landscaped area or facility or required under any planning obligation to be used for any social sporting or community purposes or similar;
- (e) the disposal of any land or dwellings required by any Planning Permission or any associated planning agreement for Affordable Housing; and/or
- (f) the disposal of any completed Dwelling to a plot purchaser or tenant; and/or
- (g) a transfer of the freehold reversion expectant upon leases of any Dwellings; and/or
- (h) a lease or a licence of any car parking spaces for which no premium is charged;

and **Permitted Disposals** shall be construed accordingly;

Plan means the plan attached to this deed and any reference to a numbered plan is to the attached plan so numbered;

Planning Acts means Acts for the time being in force relating to town and country planning;

Planning Permission means outline or full planning permission for a Projected Development;

Projected Development means the development of the Property or any part of it (whether alone or in conjunction with other land) for use for a wholly or predominantly residential development;

Property means the assets of the Chargor described in Schedule 1 and references to the Property include where relevant any one or more of such assets and any part of such assets but excluding any part of the Property which has been the subject of a Permitted Disposal;

Receiver means any one or more receivers and/or managers appointed by the Chargees pursuant to this deed in respect of the Chargor or over all or any of the Charged Assets;

Release means a form DS3 or form DS1 or such other form as shall be appropriate to release (when dated) the Property or any interest in the Property or any part of parts of the Property from this legal charge;

Relevant Substance means any substance whatsoever (whether in a solid or liquid form or in the form of a gas or vapour and whether alone or in combination with any other substance) or waste (as defined in the Environmental Protection Act 1990) which is

capable of causing harm to man or any other living organism supported by the environment, or damaging the environment or public health or welfare;

Secured Obligations means the obligation to pay all monies due or owing to the Chargees pursuant to the Additional Consideration Agreement when the same becomes due for payment or discharge together with any interest thereon at the Default Rate (both before and after judgement) together with all costs arising under clause 5.2 and 10.1;

Service Media means pipes sewers drains ditches mains channels flues wires cables ducts watercourses and all other transmission media and similar equipment and associated equipment and apparatus and including fixings over ground boxes louvres cowl and other covers;

Services means services for the supply of water electricity gas television or telecommunication (including without limitation telephone fax internet and broadband) services or for the disposal of foul or surface water and any other relevant services;

Social Rented Housing means rented housing owned and managed by a local authority or by a registered social landlord (or other such body as may be agreed by the Homes and Communities Agency) and for which the target rent is set below market rent under the national rent regime;

Subsidiary has the meaning given to it by section 1159 of the Companies Act 2006;

Transfer means the transfer of the Property dated 17 December 2019 and made between the Chargees (1) the Chagor (2) and Ashflame Properties Limited (3) as amended or varied from time to time; and

VAT means VAT or any other tax of a similar nature;

Working Day means any day from Monday to Friday which is not Christmas Day, Good Friday or a statutory bank holiday.

- 1.2 Successors and assigns: The expressions "Chargees", and "Chagor" include, where the context admits, their respective successors, and, in the case of the Chargees, their respective transferees and assignees, whether immediate or derivative.
- 1.3 Headings: Clause headings and the contents page are inserted for convenience of reference only and shall be ignored in the interpretation of this Deed.
- 1.4 Construction of certain terms: In this Deed, unless the context otherwise requires:
 - (a) references to clauses and schedules are to be construed as references to the clauses of, and schedules to, this Deed and references to this Deed include its schedules;
 - (b) reference to (or to any specified provision of) this Deed or any other document shall be construed as references to this Deed, that provision or that document as in force for the time being and as amended in accordance with the terms thereof or, as the case may be, with the Additional Consideration Agreement of the relevant parties and (where such consent is, by the terms of this Deed or the relevant document, required to be obtained as a condition to such amendment being permitted) the prior written consent of the Chargees;
 - (c) words importing the plural shall include the singular and vice versa;
 - (d) references to a person shall be construed as including references to an individual, firm, company, corporation, unincorporated body of persons or any State or any agency thereof;
 - (e) references to statutory provisions shall be construed as references to those provisions as replaced, amended or re-enacted from time to time;

- (f) where the expression "Chargor" includes more than one person the expression shall include each, any and all of such persons as the context may permit, and each such person shall be jointly and severally liable under this Deed; and
- (g) where any due date for payment falls on a day which is not a Working Day the amount shall be paid on the next Working Day following the due date for payment.

2 COVENANT TO PAY

The Chargor covenants with the Chargees to pay the Chargees on demand all monies due or owing to the Chargees pursuant to the Additional Consideration Agreement and all such other money as they are entitled to under the Additional Consideration Agreement relating to the payment of such sums when they become due.

3 CHARGES

3.1 Legal Charge: The Chargor with full title guarantee as a continuing security for the payment and discharge of the Secured Obligations hereby charges to the Chargees by way of first legal charge the Property.

3.2 Equitable Charge: The Chargor as a continuing security for the payment and discharge of the Secured Obligations hereby charges to the Chargees the Property in equity and so far as the Property is hereby charged in equity and not by way of legal charge but not further or otherwise the Chargor HEREBY DECLARES that it holds the Property on trust for the Chargees to have such powers of sale as the Chargees would have under the charge by way of legal charge if it were valid and effective and the Chargees has full power to appoint themselves and any other person(s) to be trustee(s) in place of the Chargor in respect of the trust but subject to that and to the Transfer, the Chargor will hold the Property in trust for itself absolutely and beneficially.

3.3 Insurances:

- (a) The Chargor shall insure and keep insured the Property against such risks perils and contingencies that would be insured against by a reasonably prudent residential developer.
- (b) The Chargor shall if requested by the Chargees produce to them a broker letter confirming details of each insurance policy obtained by the Chargor.
- (c) The Chargor will promptly pay all premiums payable under any insurance policy relating to the Property.
- (d) In the event of damage or destruction to the Property the Chargor will apply all monies received in connection with the Property in the reinstatement of the Property.

3.4 Set-off: The Chargor irrevocably and unconditionally agrees that if the Chargees at any time owes the Chargor money the Chargees may set that money off against the Secured Obligations but the Chargees shall not be obliged to do this nor may the Chargor exercise against the Chargees any right of deduction or set-off whether legal or equitable in respect of the Secured Obligation without the written consent of the Chargees.

3.5 HM Land Registry: The Chargor hereby consents to the registration of the following restriction ("Restriction") against the registered title allocated to the Property:

"No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by ~~MI~~ or their conveyancer."

Trustees of the GH Trust

The Chargees hereby confirms its consent to in relation to each and every Permitted Disposal that the Restriction above shall not apply to such a disposition.

4 RELEASES

Without prejudice to the underlying requirement to pay in full the Secured Obligations, the Chargees agree to execute Releases for Permitted Disposals and any certificate or consent to deal with the Restriction or to complete any relevant HM Land Registry forms to remove the Restriction from the Proprietorship Register of any land the subject of a Permitted Disposal and agree to deliver the same within 20 Working Days of receipt of request from the Chargor at the reasonable cost of the Chargor provided that (1) any such request shall include the form of Release required to be executed and (2) no Event of Default has occurred.

5 UNDERTAKINGS

5.1 Undertakings: The Chargor hereby undertakes with the Chargees that during the continuance of this security the Chargor will comply with the undertakings set out in Schedule 2.

5.2 Power to remedy: If the Chargor at any time defaults in complying with any of its obligations contained in this Deed, the Chargees shall, give written notice of such default to the Chargor and if the Chargor fails to remedy such default within 10 working days or such longer period as shall be reasonable having regard to the default which is the subject of the notice the Chargees shall without prejudice to any other rights arising as a consequence of such default, be entitled (but not bound) to make good such default and the Chargor hereby irrevocably authorises the Chargees and their employees and agents by way of security to do all such things (including, without limitation, entering the Chargor's property) necessary or desirable in connection therewith. Any moneys so expended by the Chargees shall be repayable by the Chargor to the Chargees on demand together with interest at the Default Rate from the date of payment by the Chargees until such repayment, both before and after judgment. No exercise by the Chargees of their powers under this clause 5.2 shall make them liable to account as a mortgagee in possession.

6 FURTHER ASSURANCE

6.1 Further assurance: The Chargor shall if and when at any time required by the Chargees execute such further Encumbrances and assurances in favour of the Chargees and do all such acts and things as the Chargees shall from time to time require over or in relation to all or any of the Charged Assets to secure the Secured Obligations 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.

6.2 Certain documentary requirements: Such further assurances shall be prepared by or on behalf of the Chargees at the expense of the Chargor and shall contain (a) an immediate power of sale without notice (b) a clause excluding section 93 Law of Property Act 1925 and the restrictions contained in section 103 Law of Property Act 1925 and (c) such other clauses for the benefit of the Chargees as the Chargees may reasonably require.

7 CERTAIN POWERS OF THE CHARGEES: ENFORCEMENT

7.1 Powers on enforcement: At any time on or after the Enforcement Date or if requested by the Chargor, the Chargees may, without further notice, without the restrictions contained in section 103 Law of Property Act 1925 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.

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

7.3 Contingencies: If the Chargees enforce the security constituted by this Deed at a time when no amount in respect of the Secured Obligations is due and payable, the Chargees (or the Receiver) may pay the proceeds of any recoveries effected by it into an interest bearing suspense account at a clearing bank. The Chargees may (subject to the payment of any claims having priority to this security) withdraw amounts standing to the credit of such suspense account for application as follows:

- (a) paying all costs, charges and expenses incurred and payments made by the Chargees (or the Receiver) in the course of such enforcement;
- (b) paying remuneration to the Receiver as and when the same becomes due and payable; and
- (c) paying amounts due and payable in respect of the Secured Obligations as and when the same become due and payable.

7.4 Sale of assets: The Chargor hereby irrevocably authorises the Chargees and any Receiver at any time after the Enforcement Date to sell or concur in selling either by private treaty or at public auction or to include in any letting all plant, machinery, both present and future, then or at any time thereafter on the Property whether or not such things are Charged Assets.

8 APPOINTMENT AND POWERS OF RECEIVER

8.1 Appointment: At any time on or after the Enforcement Date or if requested by the Chargor, the Chargees may by instrument in writing executed as a deed or under the hand of any director or other duly authorised officer appoint any qualified person to be a Receiver of the Charged Assets or any part thereof. Where more than one Receiver is appointed, each joint Receiver shall have power to act severally, independently of any other joint Receivers, except to the extent that the Chargees may specify to the contrary in the appointment. The Chargees may (subject, where relevant, to section 45 Insolvency Act 1986) remove any Receiver so appointed and appoint another in his place. In this clause 8 a "qualified person" is a person who, under the Insolvency Act 1986, is qualified to act as a receiver of the property of any Chargor with respect to which he is appointed or, as the case may be, an administrative receiver of any such Chargor.

8.2 Receiver as agent: Any Receiver shall be the agent of the Chargor and the Chargor shall be solely responsible for his acts or defaults and for his remuneration.

8.3 Powers of Receiver:

Any Receiver shall have all the powers conferred from time to time on receivers and administrative receivers by statute (in the case of powers conferred by the Law of Property Act 1925, without the restrictions contained in section 103 of that Act) and power on behalf, and at the expense, of the Chargor (notwithstanding the liquidation or bankruptcy of the Chargor) to do or omit to do anything which the Chargor could do or omit to do in relation to the Charged Assets or any part of it. In particular (but without limitation) a Receiver shall have power to do all or any of the following acts and things:

- (a) Take possession: to take possession of, collect and get in all or any of the Charged Assets;
- (b) Manage the Charged Assets: to manage, develop, alter, improve, build, reconstruct or reinstate and replace the Charged Assets or any part of it or concur in so doing; to buy, lease or otherwise acquire and develop or improve properties or other assets without being responsible for loss or damage; to acquire, renew, extend, grant, vary or otherwise deal with easements, rights, privileges and licences over or for the benefit of the Charged Assets;
- (c) Manage business: to carry on, manage or develop the business of the Chargor or any part of it carried on at the Property or commence any new business from the Property;

- (d) Dispose of assets: without the restrictions imposed by section 103 of the Law of Property Act 1925 or the need to observe any of the provisions of sections 99 and 100 of such Act, to sell by public auction or private contract, let, surrender or accept surrenders, grant licences, leases or otherwise dispose of or deal with all or any part of the Charged Assets or concur in so doing in such manner, for such consideration and generally on such terms and conditions as he may think fit with full power to convey, let, surrender, accept surrenders or otherwise transfer or deal with such Charged Assets in the name and on behalf of the Chargor or otherwise and so that covenants and contractual obligations may be granted and assumed in the name of and so as to bind the Chargor (or the other estate owner) if he shall consider it necessary or expedient so to do; any such sale, lease or disposition may be for cash, debentures or other obligations, shares, stock, securities or other valuable consideration and be payable immediately or by instalments spread over such period as he shall think fit and so that any consideration received or receivable shall forthwith be and become charged with the payment of the indebtedness; plant, machinery and other fixtures may be severed and sold separately from the premises containing them and the Receiver may apportion any rent and the performance of any obligations affecting the premises sold without the consent of the Chargor. Any contract for any such sale or other disposal by the Receiver or the Chargees may contain conditions excluding or restricting the personal liability of the Receiver or the Chargees;
- (e) Compromise contracts: to make any arrangement or compromise (including without limitation agreeing to any changes to any rents payable in respect of the Property) or enter into perform or cancel any contracts or contracts which he shall think expedient;
- (f) Repair and maintain assets: to make and effect such repairs, renewals and improvements to the Charged Assets or any part of it as he may think fit and in doing so to purchase materials;
- (g) Building works: to commence and/or complete any building operations on any part of the Property and apply for and obtain any planning permissions, building regulation approvals and any other permissions, consents or licences with respect to the Charged Assets as he may in his discretion think fit;
- (h) Compensation: to negotiate for compensation with any relevant authority which may intend to acquire or be in the process of acquiring the Charged Assets or any part of it and make objections to any order for the acquisition of the Charged Assets or any part of it, and the Receiver may request the Chargor to do so at any enquiry held to consider such objections or which is otherwise relevant to such acquisition;
- (i) Legal proceedings: to institute, continue, enforce, defend, settle or discontinue any actions, suits or proceedings in relation to the Charged Assets or any part thereof or submit to arbitration as he may think fit;
- (j) Appoint employees: to appoint managers, agents, contractors, professionals, surveyors, quantity surveyors, builders, workmen, officers and employees for any of the purposes referred to in this clause 8.3 or to guard or protect the Charged Assets at such salaries and remuneration and for such periods and on such terms as he may determine and may dismiss the same;
- (k) Execute documents: to sign any document, execute any deed and do all such other acts and things as may be considered by him to be incidental or conducive to any of the matters or powers aforesaid or to the realisation of the security created by or pursuant to this Charge and to use the name of the Chargor for all the purposes aforesaid;
- (l) Insurances: to maintain, renew, take out or increase Insurances (including indemnity insurance);

- (m) Exercise statutory leasehold powers: without any further consent by or notice to the Chargor to exercise for and on behalf of the Chargor all the powers and provisions conferred on a landlord or a tenant by the Landlord and Tenant Acts, the Rent Acts, the Housing Acts or any other legislation from time to time in force in any relevant jurisdiction relating to security of tenure or rents or generally in respect of the Charged Assets but without any obligation to exercise any of such powers and without any liability in respect of powers so exercised or omitted to be exercised;
- (n) Tenancies: to apply for and negotiate the terms of any renewed tenancy whether pursuant to the Landlord and Tenant Act 1954 or otherwise;
- (o) Occupational Leases: to make allowances and arrangements with any lessee or any tenant in respect of the rents receivable pursuant to any occupational lease of the Property;
- (p) Rent review: to operate and agree any rent review in respect of any lease or underlease of the Property and the amount of any interim rent payable pursuant to section 24(A) of the Landlord and Tenant Act 1954;
- (q) Insolvency Act powers: to do all the acts and things described in Schedule 1 to the Insolvency Act 1986 as if the words "he" and "him" referred to the Receiver and "company" referred to the Chargor;
- (r) Chargees powers: to do anything the Chargees have power to do under this Deed; and
- (s) Other acts: to do all other acts and things which he may consider to be incidental or conducive to any of the powers contained in this clause 7.

8.4 Remuneration: The Chargees may from time to time determine the remuneration of any Receiver and section 109(6) Law of Property Act 1925 shall be varied accordingly. A Receiver shall be entitled to remuneration appropriate to the work and responsibilities involved upon the basis of charging from time to time adopted by the Receiver in accordance with the current practice of his firm.

9 APPLICATION OF PROCEEDS; PURCHASERS

9.1 Application of proceeds: All moneys received by the Chargees 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 Obligations, in or towards satisfaction of such of the Secured Obligations and in such order as the Chargees in their absolute discretion may from time to time conclusively determine except that the Chargees may credit the same to a suspense account at a clearing bank for so long and in such manner as the Chargees may from time to time determine and the Receiver may retain the same for such period as he and the Chargees consider expedient and any sums in excess of the total of such liabilities and the Secured Obligations shall be paid to the Chargor.

9.2 Insurance proceeds: All moneys receivable by virtue of any of the Insurances shall be paid to the Chargees (or if not paid by the Insurers directly to the Chargees shall be held on trust for the Chargees) and shall at the option of the Chargees be applied in replacing, restoring or reinstating the Property (any deficiency being made good by the Chargor) or (except where the Chargor is obligated (as landlord or tenant) to lay out such insurance moneys under the provisions of any lease of any of the Charged Assets) in reduction of the Secured Obligations.

9.3 Protection of purchasers: No purchaser or other person shall be bound or concerned to see or enquire whether the right of the Chargees or any Receiver to exercise any of the powers conferred by this Deed has arisen or be concerned with notice to the contrary or with the propriety of the exercise or purported exercise of such powers.

10 INDEMNITIES; COSTS AND EXPENSES

- 10.1 **Enforcement costs:** The Chargor hereby undertakes with the Chargees to pay on demand all costs, charges and expenses properly incurred by the Chargees or by any Receiver in or about the enforcement, preservation or attempted preservation of any of the security created by or pursuant to this Deed or any of the Charged Assets on a full indemnity basis, together with interest at the Default Rate from the date 5 Working Days from the date on which such costs, charges or expenses are so demanded until the date of payment by the Chargor (both before and after judgment).
- 10.2 **No liability as mortgagee in possession:** Neither the Chargees nor any Receiver shall be liable to account as mortgagee in possession in respect of all or any of the Charged Assets or be liable for any loss upon realisation or for any neglect or default of any nature whatsoever for which a mortgagee in possession may be liable as such.
- 10.3 **Indemnity from Charged Assets:** The Chargees and any Receiver, attorney, agent or other person appointed by the Chargees under this Deed and the Chargees' officers and employees (each an "**Indemnified Party**") shall be entitled to be indemnified out of the Charged Assets in respect of all costs, losses, actions, claims, expenses, demands or liabilities whether in contract, tort, delict or otherwise and whether arising at common law, in equity or by statute 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 directly or indirectly out of or as a consequence of:
- (a) anything done or omitted in the exercise or purported exercise of the powers contained in this Deed; or
 - (b) any breach by the Chargor of any of its obligations under this Deed,
- and the Chargor shall indemnify the Chargees and any Receivers against any such matters.

11 EFFECT OF EVENT OF DEFAULT

On the occurrence of any Event of Default, all Secured Obligations (other than contingent liabilities) of the Chargor not otherwise so payable shall immediately become payable on demand.

12 POWER OF ATTORNEY

- 12.1 **Power of attorney:** The Chargor by way of security hereby irrevocably appoints each of the Chargees and any Receiver severally to be its attorney in its name and on its behalf:
- (a) to execute and complete any documents or instruments which the Chargees or such Receiver may require for perfecting the title of the Chargees to the Charged Assets or for vesting the same in the Chargees, their nominees or any purchaser;
 - (b) to sign, execute, seal and deliver and otherwise perfect any further security document referred to in clause 5.2; and
 - (c) otherwise generally to sign, seal, execute and deliver all deeds, assurances, contracts and documents and to do all acts and things which may be required for the full exercise of all or any of the powers conferred on the Chargees or a Receiver under this Deed or which may be deemed expedient by the Chargees or a Receiver in connection with any disposition, realisation or getting in by the Chargees or such Receiver of the Charged Assets or any part thereof or in connection with any other exercise of any power under this Deed.
- 12.2 **Ratification:** The Chargor ratifies and confirms and agrees to ratify and confirm all acts and things which any attorney as is mentioned in clause 12.1 shall do or purport to do in the exercise of his powers under such clause.

13 CONTINUING SECURITY AND OTHER MATTERS

13.1 Continuing security: This Deed and the obligations of the Chargor under this Deed shall:

- (a) secure the ultimate balance from time to time owing to the Chargees by the Chargor and shall be a continuing security notwithstanding any settlement of account or other matter whatsoever;
- (b) be in addition to, and not prejudice or affect, any present or future Collateral Instrument, Encumbrance, right or remedy held by or available to the Chargees; and
- (c) not merge with or be in any way prejudiced or affected by the existence of any such Collateral Instruments, Encumbrance, rights or remedies or by the same being or becoming wholly or in part void, voidable or unenforceable on any ground whatsoever or by the Chargees dealing with, exchanging, releasing, varying or failing to perfect or enforce any of the same, or giving time for payment or indulgence or compounding with any other person liable.

13.2 Collateral Instruments: The Chargees shall not be obliged to resort to any Collateral Instrument or other means of payment now or hereafter held by or available to it before enforcing this Deed and no action taken or omitted by the Chargees in connection with any such Collateral Instrument or other means of payment shall discharge, reduce, prejudice or affect the liability of the Chargor nor shall the Chargees be obliged to account for any money or other property received or recovered in consequence of any enforcement or realisation of any such Collateral Instrument or other means of payment.

13.3 Settlements Conditional: Any release, discharge or settlement between the Chargor and the Chargees shall be conditional upon no security, disposition or payment to the Chargees by the Chargor or any other person being void, set aside or ordered to be refunded pursuant to any enactment or law relating to liquidation, administration or insolvency or for any other reason whatsoever and if such condition shall not be fulfilled the Chargees shall be entitled to enforce this Deed subsequently as if such release, discharge or settlement had not occurred and any such payment had not been made.

13.4 Lien: The Chargees shall not have any lien over the Charged Assets by virtue of this Deed or the Secured Obligations.

14 REPRESENTATIONS AND WARRANTIES

14.1 Representations: The Chargor represents and warrants to the Chargees that:

- (a) Due incorporation: If the Chargor is a company, it is duly incorporated and validly existing under the laws of England and Wales and has power to carry on its business as it is now being conducted and to own its property and other assets;
- (b) Corporate Power: If the Chargor is a company, it has power to execute, deliver and perform its obligations under this Deed; all necessary corporate, shareholder and other action has been taken to authorise the execution, delivery and performance of the same and no limitation on the powers of the Chargor will be exceeded as a result of the execution and delivery of this Deed or the performance of its obligations under this Deed;
- (c) Binding obligations: this Deed constitutes valid and legally binding obligations of the Chargor enforceable in accordance with its terms;
- (d) No conflict with other obligations: the execution and delivery of, the performance of its obligations under, and compliance with the provisions of, this Deed by the Chargor will not (i) contravene any existing applicable law, statute, rule or regulation or any judgment or permit to which it is subject, (ii) conflict with, or result in any breach of any of the terms of, or constitute a default under, any contract or other instrument to which it is a party or is subject or by which it or

any of its property is bound, (iii) if the Chargor is a company, contravene or conflict with any provision of its Memorandum and Articles of Association;

- (e) **Title to Charged Assets:** It has good and marketable title to the Charged Assets the Chargees transferred to it and has full power and authority to grant to the Chargees the security interest in the Charged Assets created pursuant to this Deed and to execute, deliver and perform its obligations in accordance with the terms of this Deed without the consent or approval of any other person other than any consent or approval which has been obtained;
- (f) **Ownership of Charged Assets:** the Charged Assets are beneficially owned by it free and clear of any Encumbrance other than Encumbrances created by this Deed.

14.2 **Repetition:** The representations and warranties in clause 14.1 shall be deemed to be repeated by the Chargor on each day until all the Secured Obligations have been paid or discharged in full as if made with reference to the facts and circumstances existing on each such day.

15 MISCELLANEOUS

15.1 **Remedies Cumulative:** No failure or delay on the part of the Chargees to exercise any power, right or remedy shall operate as a waiver thereof nor shall any single or any partial exercise or waiver of any power, right or remedy preclude its further exercise or the exercise of any other power, right or remedy.

15.2 **Statutory power of leasing:** During the continuance of this security the statutory and any other powers of leasing, letting, entering into contracts for leases or lettings and accepting or agreeing to accept surrenders of leases or tenancies shall not be exercisable by the Chargor in relation to the Charged Assets or any part thereof.

15.3 **Successors and assigns:** Any appointment or removal of a Receiver under clause 8 and any consents under this Deed may be made or given in writing signed or sealed by any successors or assigns of the Chargees and accordingly the Chargor hereby irrevocably appoints each successor and assign of the Chargees to be its attorney in the terms and for the purposes set out in clause 12.

15.4 **Consolidation:** Section 93 Law of Property Act 1925 shall not apply to the security created by this Deed or to any security given to the Chargees pursuant to this Deed.

15.5 **Reorganisation of the Chargees:**

- (a) If the Chargor is a company, this Deed shall remain binding on the Chargor notwithstanding any change in the constitution of the Chargees or its absorption in, or amalgamation with, or the acquisition of all or part of its undertaking by, any other person, or any reconstruction or reorganisation of any kind.
- (b) The security granted by this Deed shall remain valid and effective in all respects in favour of any assignee, transferee or other successor in title of the Chargees in the same manner as if such assignee, transferee or other successor in title had been named in this Deed as a party instead of, or in addition to, the Chargees.

15.6 **Unfettered discretion:** Any liability or power which may be exercised or any determination which may be made under this Deed by the Chargees may be exercised or made in its absolute and unfettered discretion and it shall not be obliged to give reasons therefor.

15.7 **Provisions severable:** Each of the provisions of this Deed is severable and distinct from the others and if any time one or more of such provisions is or becomes invalid, illegal or unenforceable the validity, legality and enforceability of the remaining provisions of this Deed shall not in any way be affected or impaired thereby.

- 15.8 Law of Property (Miscellaneous Provisions) Act 1989: For the purposes of the Law of Property (Miscellaneous Provisions) Act 1989 any provisions of the Contract and/or the Transfer relating to any disposition of an interest in land shall be deemed to be incorporated in this Deed.

16 NOTICES

- 16.1 Mode of service: Any notice or demand for payment by the Chargees under this Deed shall, without prejudice to any other effective mode of making the same, be deemed to have been properly served on the Chargor if served on the Chargor personally, or if the Chargor is a company, on any one of its Directors or on its Secretary or delivered or sent by letter to the Chargor at his/her address as stated on the first page of this Deed or if the Chargor is a company, at its registered office or any of its principal places of business for the time being.
- 16.2 Time of service: Any such notice or demand shall be deemed to have been served (in the case of a letter) when delivered and when received in complete and legible form.
- 16.3 Notices conclusive: Any such notice or demand or any certificate as to the amount at any time secured by this Deed shall be conclusive and binding upon the Chargor if signed by an officer or director of the Chargees.
- 16.4 Notices to the Chargees: Any notice to be given to the Chargees must be addressed to the Chargees at:
- (a) The Barn, Elcot, Newbury, Berkshire RG20 8NJ;
 - (b) Old Library Chambers, 21 Chipper Lane, Salisbury, Wiltshire SP1 1BG; and
 - (c) The Chargees' Solicitors quoting reference 56414.1 RO01/RS17
- or such other address or addresses as the Chargees advise from time to time.

IN WITNESS whereof this Deed has been executed and delivered by or on behalf of the parties on the date stated at the beginning of this Deed.

Schedule 1

Property

The freehold property known as land at College Farm, Shortstown, Bedford registered at the Land Registry under Title Numbers BD314462 and BD83483 and shown edged red on the Plan.

Schedule 2

Undertakings

- 1 Compliance with covenants etc: observe and perform all covenants, stipulations, requirements and obligations from time to time affecting the Charged Assets and/or the use, ownership, occupation, possession, operation, repair, maintenance or other enjoyment or exploitation of the Charged Assets whether imposed by statute, law or regulation, contract, lease, licence, grant or otherwise, carry out all registrations or renewals and generally do all other acts and things (including the taking of legal proceedings) necessary or desirable to maintain, defend or preserve its right, title and interest to and in the Charged Assets without infringement by any third party and not without the prior consent in writing of the Chargees enter into any onerous or restrictive obligations affecting any of the same.
- 2 Orders and proposals: the Chargor shall, forthwith after receipt of any notice, order, direction, designation, resolution, proposal or other matter given or made by any Authority (whether or not under the Planning Acts) and relating to the Charged Assets or the area in which the Charged Assets is situated (a "a notice"):
 - (a) give full written particulars to the Chargees of such notice;
 - (b) if required by the Chargees forthwith, and at the Chargor's cost, take all necessary steps to comply with such notice; and
 - (c) at the request of the Chargees, and at the Chargor's cost, make or joint with the Chargees in making such objection or representation against, in respect of, or relating to, such notice as the Chargees may in their discretion require.
- 3 Property outgoings: punctually pay, or cause to be paid, and indemnify the Chargees and any Receiver (on a several basis) against, all present and future rent, rates, taxes, duties, charges, assessments, impositions and outgoings whatsoever (whether imposed by contract, statute or otherwise) now or at any time during the continuance of this security payable in respect of the Property or by the owner or occupier thereof.
- 4 Possession of Property: Not without the prior consent in writing of the Chargees dispose of the Property (otherwise than by way of a Permitted Disposal) or any estate or interest in it or grant any lease, part with possession or share occupation of the whole or any part of the Property or confer any licence, right or interest to occupy or grant any licence or permission to assign, underlet or part with possession of the same or any part thereof (or agree to do any of these things) or permit any person:
 - (a) to be registered (jointly with the Chargor or otherwise) as proprietor under the Land Registration Act 2002 of the Property nor create or permit to arise any overriding interest affecting the same within the definition in those Acts; or
 - (b) to become entitled to any right, easement, covenant, interest or other title encumbrance which might adversely affect the value or marketability of the Property.
- 5 Environmental Licences: obtain and maintain in full force and effect all Environmental Licences and ensure that the business carried on at the Property complies in all respects with all Environmental Laws and all Environmental Licences.
- 6 Environmental Claims: promptly on becoming aware of it inform the Chargees of any Environmental Claim which has been made or threatened against the Chargor or any occupier of the Property or any of the officers of the Chargor in their capacity as such or any requirement by any Environmental Licence or applicable Environmental Laws to make any investment or expenditure or take or desist from taking any action which might, if substantiated, have a Material Environmental Effect.

7. Relevant Substances: notify the Chargees forthwith upon becoming aware of any Relevant Substance at or brought on to the Property which might give rise to any Environmental Claim, and take or procure the taking of all necessary action to deal with, remedy or remove from the Property or prevent the incursion of (as the case may be) that Relevant Substance in order to prevent an Environmental Claim and in a manner that complies with all requirements of Environmental Laws.
8. Jeopardy: not do or cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value to the Chargees of any of the Charged Assets.
9. Encumbrances and disposals: not (without the prior written consent of the Chargees):
- (a) create or purport to create or permit to subsist any mortgage, debenture, charge or pledge upon or permit any Encumbrance to arise on or affect any part of the Charged Assets; or
 - (b) dispose of any of the Charged Assets or agree to do so (other than by way of a Permitted Disposal).

Schedule 3

Events of Default

1. Breach of obligations to the Chargees: the Chargor fails to pay or discharge any of the Secured Obligations on their due date.
2. Insolvency: the occurrence of any of the following:
 - 2.1 a winding up order is made against the Chargor;
 - 2.2 an administrator or receiver is appointed in respect of the Chargor;
 - 2.3 a voluntary winding up of the Chargor is commenced except a winding up for the purpose of amalgamation or reconstruction of a solvent company;
 - 2.4 the Chargor is struck off from the Register of Companies;
 - 2.5 the Chargor otherwise ceases to exist.
3. Compositions: any steps are taken, or negotiations commenced, by the Chargor or by any of its creditors with a view to proposing any kind of composition, compromise or arrangement involving the Chargor and any of its creditors.
4. Security defective: any part of the security constituted by this Deed or any Collateral Instrument fails or ceases in any respect to have full force and effect or to be continuing or is disputed or challenged or becomes in jeopardy, invalid or unenforceable or a guarantor or indemnifier gives notice to determine its guarantee or indemnity.

SIGNED as a **DEED** by **PAUL PELHAM**
in the presence of:

.....
[SIGNATURE OF PARTY]

.....
[SIGNATURE OF WITNESS]

Name of Witness
[IN BLOCK CAPITALS]

Address of Witness
.....
.....

SIGNED as a **DEED** by **VALERY PELHAM**
in the presence of:

.....
[SIGNATURE OF PARTY]

.....
[SIGNATURE OF WITNESS]

Name of Witness
[IN BLOCK CAPITALS]

Address of Witness
.....
.....

Executed as a deed by **NETTLECOMBE
LIMITED** acting by a director, in the presence
of:

.....
[SIGNATURE OF DIRECTOR]
Director

.....
[SIGNATURE OF WITNESS]

Name of Witness
[IN BLOCK CAPITALS]

Address of Witness
.....
.....

Executed as a deed by **ASHFLAME
CARDINGTON LIMITED** acting by a director,
in the presence of:

[SIGNATURE OF WITNESS]

Name of Witness
[IN BLOCK CAPITALS]

Address of Witness

[SIGNATURE OF DIRECTOR]
Director

MONICA NESTWOOD