



Registration of a Charge

Company name: **MILLER HOMES LIMITED**

Company number: **SC255429**



X7FS9XUG

Received for Electronic Filing: **03/10/2018**

Details of Charge

Date of creation: **28/09/2018**

Charge code: **SC25 5429 0335**

Persons entitled: **SIGLION DEVELOPMENTS LLP**

Brief description: **LAND AT CHAPELGARTH**

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: **GOWLING WLG (UK) LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 255429

Charge code: SC25 5429 0335

The Registrar of Companies for Scotland hereby certifies that a charge dated 28th September 2018 and created by MILLER HOMES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 3rd October 2018 .

Given at Companies House, Edinburgh on 3rd October 2018

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



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

Dated: 28 SEPTEMBER 2018

- (1) MILLER HOMES LIMITED
(2) SIGLION DEVELOPMENTS LLP
-

COUNTERPART

Legal charge

relating to property known as land at Chapelgarth

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PARTICULARS

Date

28 September 2018

Buyer

MILLER HOMES LIMITED (registered number SC255429) whose registered office is at Miller House, 2 Lochside View, Edinburgh Park, Edinburgh EH12 9DH

Seller

SIGLION DEVELOPMENTS LLP (registered number OC394705) whose registered office is at Echo 24 Building, West Wear Street, Unit 1B, Sunderland SR1 1XD

Interest Rate

4% above the base rate from time to time of Barclays bank PLC or such other clearing bank nominated by the Seller at any time or, if the clearing banks cease at any time to publish a base lending rate, such comparable rate of interest as the Seller may reasonably determine.

Plan

the plan attached to this Agreement at **Appendix 1**

Property

The freehold property known as land at Chapelgarth shown edged and hatched red on the Plan which forms part of the land originally registered under title number TY378602 and title number DU5296

Title Number

Land formerly comprised within title number TY378602 and title number DU5296 and which shall be allocated a new title number

THIS LEGAL CHARGE is made on the date set out in the Particulars

BETWEEN

- (1) the Buyer; and
- (2) the Seller.

BACKGROUND

- (A) By a transfer dated the same date as this Legal Charge, the Seller transferred the Property to the Buyer.
- (B) The Buyer has agreed to pay the Second Instalment to the Seller on the terms of the Sale Agreement.
- (C) The Buyer has agreed to grant this Legal Charge to the Seller as security for the Buyer's obligation to pay the Second Instalment.

OPERATIVE PROVISIONS

1. INTERPRETATION

1.1 Defined terms

In this Legal Charge, the following words and expressions have the following meanings:

"1925 Act"	Law of Property Act 1925
"Adoption Agreements"	<ul style="list-style-type: none">(a) an agreement which is expressed to be made pursuant to section 38 of the Highways Act 1980 in respect of the Buyer's Road (as defined in the Sale Agreement) including any bond agreements and in a form first approved by the Seller(b) an agreement which is expressed to be made pursuant to section 104 of the Water Industry Act 1991 in respect of the Drainage Services Works (as defined in the Sale Agreement) including any bond agreements in a form first approved by the Seller
"Event of Default"	any of the events of default set out in clause 4.5
"Insolvency Act"	Insolvency Act 1986
"Lease"	any Lease of the whole or any part of the Property and includes any underlease, sublease or tenancy and any agreement for a lease, underlease, sublease or tenancy
"Infrastructure Agreement"	means any deed agreement or undertaking under Section 33 of the Local Government (Miscellaneous Provisions) Act 1982 Section 38 and/or 278 of the Highways Act 1980, Section 98/101 and/or 104 of the Water Industry Act 1991 or any provision of similar intent or with a water authority or a drainage undertaker (within the meaning of the Water Resources Act 1991 or the Land Drainage Act 1991)

	or Regulatory Authority relating to the provision of any Services or access to or from the Property
"Non-charged Property"	the freehold property known as land at Chapelgarth shown edged and hatched blue on the Plan which forms part of the land registered under the Title Number
"Permitted Disposal"	means: <ul style="list-style-type: none"> a) a transfer or lease of any land or grant of rights in each case required by a statutory undertaker, utility company, management company or other similar body acquiring an interest for the provision of an electricity sub-station, gas governor, or pumping station,; b) any Infrastructure Agreement which may be required to facilitate development of the Property or the adoption of any roads or sewers to be constructed on the Property PROVIDED THAT such agreement shall contain an indemnity from the Buyer in favour of the Seller in respect of all liability under such agreement and shall provide that the Seller shall not be liable under such agreement either prior to or following discharge of this charge. In the event that such agreement relates to the Property (or any part of the Property) together with other land it shall contain a declaration that the Chargee has joined in such agreement as mortgagee in respect of the Property only c) the grant of a lease or transfer of any land within the Non-charged Property that has been the subject of Unit Disposals and grants rights over the Property
"Receiver"	any receiver or manager appointed by the Seller under this Legal Charge or pursuant to any statute, including the 1925 Act but does not include an administrative receiver
"Sale Agreement"	a sale agreement dated the same date as this Legal Charge made between (1) the Seller and (2) the Buyer
"Second Instalment"	the Second Instalment defined in and payable in accordance with the terms of the Sale Agreement.
"Secured Amounts"	the Second Instalment and all other sums due to the Seller under the Sale Agreement or this Legal Charge
"Security"	any legal charge, debenture, mortgage, lien or other form of security granting any legal or equitable charge over the Property whether fixed or floating but does not include this Legal Charge
"Undertaking"	means the draft form of undertaking attached at Appendix 2
"Unit Disposal"	means the sale of a residential unit to be constructed on the Non-charged Property to a third

party or third parties

"Working Day"

any day from Monday to Friday (inclusive) which is not Christmas Day, Good Friday or a statutory bank holiday within England and Wales or any day between Christmas and New Year's Day (inclusive) that would otherwise be a Working Day.

1.2 Construction

In this Legal Charge:

- 1.2.1 the clause headings do not affect its interpretation;
- 1.2.2 unless otherwise indicated, references to clauses and Schedules are to clauses of and Schedules to this Legal Charge and references in a Schedule to a Part or paragraph are to a Part or paragraph of that Schedule;
- 1.2.3 references to any statute or statutory provision include references to:
 - 1.2.3.1 all Acts of Parliament and all other legislation having legal effect in the United Kingdom; and
 - 1.2.3.2 any subsequent statutes directly or indirectly amending, consolidating, extending, replacing or re-enacting that statute and also include any orders, regulations, instruments or other subordinate legislation made under that statute;
- 1.2.4 references to the Property include any part of it;
- 1.2.5 references to the powers of the Seller or the Receiver are references to the respective powers, discretions and rights given to the Seller or a Receiver under this Legal Charge, the 1925 Act, the Insolvency Act or otherwise given to or exercisable by the Seller or the Receiver;
- 1.2.6 "including" means "including, without limitation";
- 1.2.7 "indemnify" means to indemnify against all actions, claims, demands and proceedings taken or made against the Seller and all costs, damages, expenses, liabilities and losses incurred by the Seller;
- 1.2.8 where two or more people form a party to this Legal Charge, the obligations they undertake may be enforced against them all jointly or against each individually; and
- 1.2.9 if any provision is held to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remainder of this Legal Charge is to be unaffected.

1.3 Particulars

The Particulars form part of this Legal Charge and words and expressions set out in the Particulars are to be treated as defined terms in this Legal Charge.

1.4 Contracts (Rights of Third Parties) Act 1999

The parties to this Legal Charge do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person not a party to it.

2. CHARGE

2.1 Covenant to pay

The Buyer covenants with the Seller to pay the Secured Amounts to the Seller on demand.

2.2 Legal mortgage

The Buyer with full title guarantee charges the Property by way of first fixed legal mortgage with the payment of the Secured Amounts.

2.3 Continuing security

This Legal Charge is made for securing the Secured Amounts. It is a continuing security and will not be discharged by any payment on account of the whole or any part of the Secured Amounts.

2.4 Release

2.4.1 On the later of the following events to occur:

2.4.1.1 when no further Secured Amounts are due to the Seller and the Buyer has paid all Secured Amounts which have become due to the Seller;

2.4.1.2 the Buyer has provided the original Adoption Agreements duly signed and completed

the Seller will at the request and cost of the Buyer release the Property from this Legal Charge.

2.4.2 Subject to the Buyer procuring the Buyer's Solicitor to provide an Undertaking, on completion of this Legal Charge (or if later on receipt of the Undertaking) the Seller shall deliver to the Buyer's Solicitor:

2.4.2.1 Form DS3 duly executed by the Seller in respect of the Permitted Disposal comprising a transfer deed of the electricity substation which shall be held in escrow and released automatically on receipt by the Seller's solicitors of the certified copy of the said transfer deed and plan duly signed

2.4.2.2 Form DS1 duly executed by the Seller in respect of this Legal Charge which shall be held in escrow and released automatically on the later of:

(a) receipt by the Seller's Solicitor of all Secured Amounts due to the Seller (including the Second Instalment)

(b) receipt by the Seller's solicitors of the original Adoption Agreements duly signed and completed

2.4.3 The Seller agrees that during the subsistence of this Legal Charge the Seller will at the request of the Buyer release any part of the Property comprised in a Permitted Disposal from this Legal Charge on the following terms:

2.4.3.1 The Buyer shall not dispose of the Property save that it may make Permitted Disposals at any time and on as many occasions as the Buyer requires for the development of the Property during the term of this Legal Charge

2.4.3.2 The Seller shall upon written request and at the cost of the Buyer (provided that such costs are reasonable and proper:

(a) (to the extent not covered by clause 2.4.2.1) execute such Land Registry forms DS3 and RX4 (or such other documents that are reasonably required to release the relevant part of the Property from the security created by this Legal Charge) in respect of such Permitted Disposals within 20 Working Days of its receipt of such a written request;

(b) enter into any Infrastructure Agreements for the purpose only of confirming its interest as mortgagee of the Property is subject to the provisions of the Infrastructure Agreements PROVIDED THAT such agreement shall contain an indemnity from the Buyer in favour of the Seller in respect of all liability under such agreement and shall provide that the Seller shall not be liable under such agreement either prior to or following discharge of this charge. In the event that such agreement relates to the Property (or any part of the Property) together with other land it shall contain a declaration that the Chargee has joined in such agreement as mortgagee in respect of the Property only.

2.5 Land Registry restriction

The Buyer is to apply to the Land Registry on Land Registry form RX1 to enter a restriction on the register of the title number allocated to the Property by the Land Registry in the following Land Registry standard form:

"No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [28 September] 2018 in favour of Siglion Developments LLP referred to in the charges register." *gmk*

3. COVENANTS

3.1 Restriction on further security

The Buyer is not to create or permit any Security to be created in or over the Property without the prior written consent of the Seller.

3.2 Restriction on leasing

The Buyer is not to create any Lease except in accordance with the terms of the Sale Agreement.

3.3 Insurance of the Property

The Buyer is to insure the buildings and fixed plant, machinery and fixtures forming part of the Property in the joint names of the Seller and the Buyer:

3.3.1 against loss or damage by fire and such other risks as the Seller may require;

3.3.2 in their full reinstatement cost, including the costs of demolition, site clearance and professional costs and expenses; and

3.3.3 through an insurance office or underwriters approved by the Seller.

3.4 Additional insurance obligations

The Buyer is to:

3.4.1 pay all insurance premiums as soon as they become due;

- 3.4.2 provide the Seller on request with a copy of the insurance policies effected by the Buyer together with evidence for the payment of the last premiums for those policies;
- 3.4.3 apply all monies received by virtue of any insurance policies in making good the loss of or damage to the Property or, if the Seller so directs, in or towards discharging the Secured Amounts; and
- 3.4.4 pay to the Seller on demand the costs of any insurance effected by the Seller to remedy any default by the Buyer in insuring under this **clause 3.6**.

3.5 Statutory requirements

The Buyer is to comply with all statutory and other requirements affecting the Property.

3.6 Taxes and outgoings

The Buyer is punctually to pay all taxes, duties, rates and outgoings payable in respect of the Property.

3.7 Costs and expenses

The Buyer is to pay on demand to the Seller or the Receiver:

- 3.7.1 all reasonable and proper costs and expenses which may be incurred by either of them in connection with:
 - 3.7.1.1 any consents or approvals which may be required in respect of the Property;
 - 3.7.1.2 negotiating, preserving, enforcing or seeking to preserve or enforce this Legal Charge or their respective rights and powers; and
 - 3.7.1.3 stamp duty land tax and other fees and costs arising from preserving the security created by this Legal Charge; and
- 3.7.2 interest on any costs and expenses payable under this Legal Charge from the date upon which they were demanded until repayment and as well after as before judgment at the Interest Rate.

4. POWER OF SALE

4.1 Consolidation of mortgages

The restrictions on the consolidation of mortgages in section 93 of the 1925 Act do not apply to this Legal Charge.

4.2 Power of leasing

The restriction on the powers of the Seller or the Receiver to grant Leases or to accept the surrender of Leases in sections 99 and 100 of the 1925 Act do not apply to this Legal Charge.

4.3 Power of sale

For the purposes only of section 101 of the 1925 Act, the Secured Amounts become due and the statutory power of sale and other powers of enforcement arise immediately after execution of this Legal Charge.

4.4 Exercise of power of sale

Section 103 of the 1925 Act does not apply to this Legal Charge and all moneys secured by this Legal Charge are immediately payable without any demand.

4.5 Events of default

This Legal Charge will become immediately enforceable and the powers of the Seller and the Receiver exercisable in any of the following events:

- 4.5.1 the Buyer does not pay the Secured Amounts when they fall due;
- 4.5.2 the Buyer does not comply with its obligations in this Legal Charge;
- 4.5.3 an order is made for the compulsory purchase of the whole or any part of the Property;
- 4.5.4 a receiver or administrative receiver is appointed of the whole or any part of the Property or any person takes possession of or exercises or attempts to exercise any power of sale in relation to the Property;
- 4.5.5 where the Buyer is a company, an administrator is appointed over the Buyer;
- 4.5.6 where the Buyer is a company, a petition is presented in any Court for or a meeting is convened for the purpose of considering a resolution for the winding up of the Buyer or a resolution is passed or an order made for the winding up of the Buyer;
- 4.5.7 where the Buyer is a company, a voluntary arrangement is made in respect of the Buyer under Part I Insolvency Act;
- 4.5.8 where the Buyer is an individual, a petition is presented for the bankruptcy of the Buyer or a bankruptcy order is made against the Buyer; or
- 4.5.9 where the Buyer is an individual, an interim order is made for a voluntary arrangement under section 252 Insolvency Act in respect of the Buyer.

4.6 Seller's powers

The power of sale and the other powers conferred by the 1925 Act or otherwise are extended and varied to authorise the Seller at its absolute discretion to do all or any of the things or exercise all or any of the powers which a Receiver is empowered to do under this Legal Charge.

5. APPOINTMENT OF RECEIVERS

5.1 Appointment of receivers

At any time after the Seller's power of sale has become exercisable, the Seller may appoint one or more than one Receiver in respect of the Property.

5.2 Removal of restrictions on appointment

None of the restrictions imposed by the 1925 Act in relation to the appointment of receivers or to the giving of notice or otherwise will apply.

5.3 Joint and several powers

If more than one Receiver is appointed the Receiver may act jointly or jointly and severally.

5.4 Additional or alternative receivers

The Seller may remove the Receiver and appoint another Receiver and the Seller may also appoint an alternative or additional Receiver.

5.5 Agent of the Buyer

The Receiver will, so far as the law permits, be the agent of the Buyer.

5.6 Buyer's liability

The Buyer alone will be responsible for the acts or defaults of the Receiver and will be liable on any contracts or obligations made or entered into by the Receiver.

5.7 Liability for default

The Seller will be not be responsible for any misconduct, negligence or default of the Receiver.

5.8 Continuation of powers following liquidation or bankruptcy

The powers of the Receiver will continue in full force and effect following the liquidation or bankruptcy of the Buyer.

5.9 Receiver's remuneration

The remuneration of the Receiver may be fixed by the Seller but will be payable by the Buyer. The amount of the remuneration will form part of the Secured Amounts.

5.10 General powers of a Receiver

A Receiver will have the power on behalf and at the cost of the Buyer:

- 5.10.1 to do or omit to do anything which the Buyer could do or omit to do in relation to the Property; and
- 5.10.2 to exercise all or any of the powers conferred on the Receiver or the Seller under this Legal Charge or conferred upon receivers by the Insolvency Act, the 1925 Act or any other statutory provision (whether or not the Receiver was appointed pursuant to the relevant statutory provision).

5.11 Specific powers of a Receiver

Without limitation to the powers of the Receiver, the Receiver will have full power and discretion:

- 5.11.1 to take possession of and collect the income from the Property and for that purpose to take any proceedings in the name of the Buyer;
- 5.11.2 to carry on, manage or permit the carrying on and managing any business of the Buyer at the Property as the Receiver may think fit;
- 5.11.3 to sell, whether by public auction or private contract or otherwise, exchange, license or otherwise dispose of or deal with all or any part of the Property for such consideration, if any, and upon such terms as the Receiver thinks fit; and
- 5.11.4 to grant any Lease and to accept or agree to accept surrenders of Leases in such circumstances and for such purposes and upon such terms as the Receiver may think fit.

5.12 Application of proceeds

Sections 109(6) and 109(8) of the 1925 Act will not apply in relation to a Receiver appointed under this clause 5.

6. DISTRIBUTIONS

Subject to section 176A Insolvency Act, the net proceeds arising from the exercise of the powers of the Receiver will, subject to any claims ranking in priority to the Secured Amounts, be applied in or towards discharging in the following order of priority:

- 6.1.1 the costs, charges and expenses incurred and payments made by the Receiver in connection with or as a result of the exercise of the Receiver's powers and the costs, charges and expenses of and incidental to the Receiver's appointment;
- 6.1.2 the remuneration of the Receiver;
- 6.1.3 the Secured Amounts in such order as the Seller may determine; and
- 6.1.4 the claims of those entitled to any surplus.

7. PURCHASER

A purchaser from, tenant or other person dealing with the Seller or the Receiver will not be concerned to enquire whether any of the powers which they have exercised or purported to exercise have arisen or become exercisable.

8. WARRANTIES

8.1 The Buyer warrants to the Seller that:

- 8.1.1 neither the execution of this Legal Charge by the Buyer nor compliance with its terms will:
 - 8.1.1.1 conflict with or result in any breach of any law or enactment or any deed, agreement or other obligation or duty to which the Buyer is bound; or
 - 8.1.1.2 cause any limitation on any of the powers of the Buyer or on the right or ability of the directors of the Buyer to exercise those powers to be exceeded;
- 8.1.2 all consents required by the Buyer for the execution, delivery, issue, validity or enforceability of this Legal Charge have been obtained and have not been withdrawn;
- 8.1.3 no person having any charge or other form of security over the Property or any other assets of the Buyer has enforced or given notice of its intention to enforce such security; and
- 8.1.4 no Event of Default has occurred or is continuing.

9. EXCLUSION OF LIABILITY AND MISCELLANEOUS

9.1 Liability for loss and damage

The Seller and the Receiver will not be liable to the Buyer for any loss or damage incurred by the Buyer arising out of the exercise of their respective powers or any attempt or failure to exercise those powers.

9.2 Buyer's indemnity

The Buyer agrees with the Seller to indemnify the Seller and the Receiver against any exercise of the powers of the Seller or the Receiver or any attempt or failure to exercise those powers.

10. POWERS

10.1 Execution of documents

The Receiver will have power, either in the name of the Buyer or in the name of the Receiver, to execute documents and do all acts or things which may be necessary under this Legal Charge or in exercise of the Receiver's powers.

10.2 Power of attorney

The Buyer irrevocably appoints the Seller and separately the Receiver by way of security to be the attorney of the Buyer, with full power to appoint substitutes and to sub-delegate, for the purposes set out in clause 10.3.

10.3 Extent of power of attorney

The power of attorney given in clause 10.2 permits the Seller or the Receiver in the name of and on behalf of the Buyer:

10.3.1 to perfect the security given by the Buyer under this Legal Charge; and

10.3.2 to execute any document or do any act or thing which the Buyer is obliged to execute or do under this Legal Charge or which the Seller or the Receiver may in their absolute discretion consider appropriate in connection with the exercise of any of the powers of the Seller or the Receiver.

10.4 Disposal of chattels

If the Seller or the Receiver obtain possession of the Property and the Buyer does not remove any chattels on the Property, the Seller or the Receiver may remove and store or sell them without being under any liability to the Buyer other than to account for the net proceeds of the sale. All expenses and liabilities incurred by the Seller or the Receiver in connection with the removal, storage and sale of the chattels will form part of the Secured Amounts.

11. NOTICES

11.1 Form of notices

Any notice served under this Legal Charge is to be:

11.1.1 in writing;

11.1.2 signed by an officer of the party serving the notice or by its solicitors;

11.1.3 delivered by hand, first class post, pre-paid or recorded delivery or fax at the address of the party on whom it is served set out above or such other address which they may notify in writing to the other parties at any time.

11.2 Time of receipt

If a notice is received after 4.00 pm on a working day, or on a day which is not a working day, it is to be treated as having been received on the next working day.

11.3 Deemed receipt

Unless the time of actual receipt is proved, a notice served by the following means is to be treated as having been received;

11.3.1 if delivered by hand, at the time of delivery;

11.3.2 if sent by post, on the second working day after posting; or

11.3.3 if sent by fax, at the time of transmission.

12. LAW AND JURISDICTION

12.1 Governing law

This Legal Charge is to be governed by and interpreted in accordance with English law.

12.2 Jurisdiction

The courts of England are to have jurisdiction in relation to any disputes between the parties arising out of or related to this Legal Charge. This clause operates for the benefit of the Seller who retains the right to sue the Buyer and enforce any judgment against the Buyer in the courts of any competent jurisdiction.

13. EXECUTION

The Seller and the Buyer have executed this Legal Charge as a deed and it is delivered on the date set out in the Particulars.

Signed and Delivered
as a **DEED**
by **MILER HOMES LIMITED**
acting by its authorised signatory

)
)
)
)

Authorised Signatory

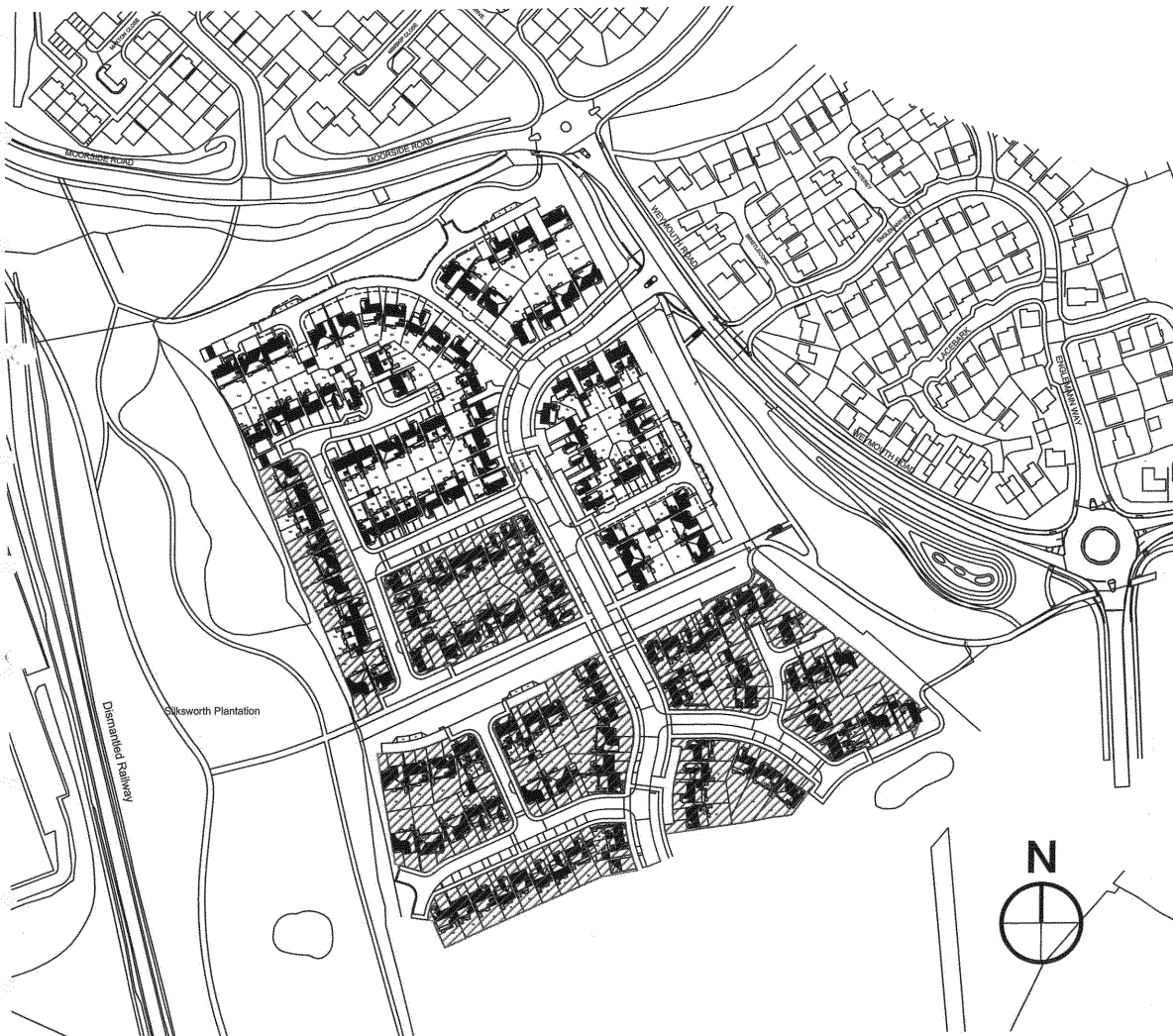
A handwritten signature in black ink, appearing to be 'h - ✓', written over the 'Authorised Signatory' text.

Authorised Signatory

A handwritten signature in black ink, appearing to be 'Nancy' followed by a large stylized flourish, written over the 'Authorised Signatory' text.

APPENDIX 1

Plan



These drawings are the property of the Local Planning Authority and are not to be used for any other purpose without the written consent of the Local Planning Authority. The drawings are not to be used for any other purpose without the written consent of the Local Planning Authority. The drawings are not to be used for any other purpose without the written consent of the Local Planning Authority. The drawings are not to be used for any other purpose without the written consent of the Local Planning Authority.

- A. LS 15.03.17 Revised to suit new layout
- B. JA 30.05.17 Redline updated to suit design times
- C. JA 01.06.17 legal charge updated to suit site & surveyed design times
- D. JA 05.06.17 Affordable removed from legal charge.

KEY
 Legal Charge Area

Handwritten signature
Mary

Chapelgarth, Sunderland

Legal Charge Plan

Project Name	Project Number	Project Date	Project Status
683-MIL	SD-99.02	D	

APPENDIX 2

Draft Undertaking

Your Reference

Our Reference
2616238/AFM/TJE1

By Email

FAO: Joanna Sowerby
Eversheds Sutherland (International) LLP
Eversheds House
70 Great Bridgewater Street
Manchester
M1 5ES

Gowling WLG (UK) LLP
Two Snowhill
Birmingham
B4 6WR

DX 312501 Birmingham 86

Dear Sir/Madam

Property: Land at Chapelgarth

Our Client: Miller Homes Limited

Your Client: Siglion Developments LLP

Legal Charge: Legal Charge [] 2018 between (1) Miller Homes Limited and (2) Siglion Developments LLP

Pursuant to Clause 2.4.2.2 of the Agreement, we undertake to not date and complete the Form DS1 provided by Your Client pursuant to clause 2.4.2 of the Legal Charge before you acknowledge receipt of:

1. all Secured Amounts due to the Seller (including the Second Instalment) in full in cleared funds
2. the original Adoption Agreements duly signed and completed

Pursuant to Clause 2.4.2.1, we undertake to not date and complete the Form DS3 before you acknowledge receipt of a certified copy of the transfer deed of the electricity substation.

Yours faithfully

For and on behalf of Gowling WLG (UK) LLP

☎ Enquiries please contact: Timothy Evans

+44 (0)121 393 0228
timothy.evans@gowlingwlg.com
Gowling WLG (UK) LLP

Dated: 28 September 2018

- (1) MILLER HOMES LIMITED
- (2) SIGLION DEVELOPMENTS LLP
-

Legal charge

relating to property known as land at Chapelgarth

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PARTICULARS

Date

28 September 2018

Buyer

MILLER HOMES LIMITED (registered number SC255429) whose registered office is at Miller House, 2 Lochside View, Edinburgh Park, Edinburgh EH12 9DH

Seller

SIGLION DEVELOPMENTS LLP (registered number OC394705) whose registered office is at Echo 24 Building, West Wear Street, Unit 1B, Sunderland SR1 1XD

Interest Rate

4% above the base rate from time to time of Barclays bank PLC or such other clearing bank nominated by the Seller at any time or, if the clearing banks cease at any time to publish a base lending rate, such comparable rate of interest as the Seller may reasonably determine.

Plan

the plan attached to this Agreement at **Appendix 1**

Property

The freehold property known as land at Chapelgarth shown edged and hatched red on the Plan which forms part of the land originally registered under title number TY378602 and title number DU5296

Title Number

Land formerly comprised within title number TY378602 and title number DU5296 and which shall be allocated a new title number

THIS LEGAL CHARGE is made on the date set out in the Particulars

BETWEEN

- (1) the Buyer; and
- (2) the Seller.

BACKGROUND

- (A) By a transfer dated the same date as this Legal Charge, the Seller transferred the Property to the Buyer.
- (B) The Buyer has agreed to pay the Second Instalment to the Seller on the terms of the Sale Agreement.
- (C) The Buyer has agreed to grant this Legal Charge to the Seller as security for the Buyer's obligation to pay the Second Instalment.

OPERATIVE PROVISIONS

1. INTERPRETATION

1.1 Defined terms

In this Legal Charge, the following words and expressions have the following meanings:

"1925 Act"	Law of Property Act 1925
"Adoption Agreements"	<ul style="list-style-type: none">(a) an agreement which is expressed to be made pursuant to section 38 of the Highways Act 1980 in respect of the Buyer's Road (as defined in the Sale Agreement) including any bond agreements and in a form first approved by the Seller(b) an agreement which is expressed to be made pursuant to section 104 of the Water Industry Act 1991 in respect of the Drainage Services Works (as defined in the Sale Agreement) including any bond agreements in a form first approved by the Seller
"Event of Default"	any of the events of default set out in clause 4.5
"Insolvency Act"	Insolvency Act 1986
"Lease"	any Lease of the whole or any part of the Property and includes any underlease, sublease or tenancy and any agreement for a lease, underlease, sublease or tenancy
"Infrastructure Agreement"	means any deed agreement or undertaking under Section 33 of the Local Government (Miscellaneous Provisions) Act 1982 Section 38 and/or 278 of the Highways Act 1980, Section 98/101 and/or 104 of the Water Industry Act 1991 or any provision of similar intent or with a water authority or a drainage undertaker (within the meaning of the Water Resources Act 1991 or the Land Drainage Act 1991)

	or Regulatory Authority relating to the provision of any Services or access to or from the Property
"Non-charged Property"	the freehold property known as land at Chapelgarth shown edged and hatched blue on the Plan which forms part of the land registered under the Title Number
"Permitted Disposal"	means: <ul style="list-style-type: none"> a) a transfer or lease of any land or grant of rights in each case required by a statutory undertaker, utility company, management company or other similar body acquiring an interest for the provision of an electricity sub-station, gas governor, or pumping station,; b) any Infrastructure Agreement which may be required to facilitate development of the Property or the adoption of any roads or sewers to be constructed on the Property PROVIDED THAT such agreement shall contain an indemnity from the Buyer in favour of the Seller in respect of all liability under such agreement and shall provide that the Seller shall not be liable under such agreement either prior to or following discharge of this charge. In the event that such agreement relates to the Property (or any part of the Property) together with other land it shall contain a declaration that the Chargee has joined in such agreement as mortgagee in respect of the Property only c) the grant of a lease or transfer of any land within the Non-charged Property that has been the subject of Unit Disposals and grants rights over the Property
"Receiver"	any receiver or manager appointed by the Seller under this Legal Charge or pursuant to any statute, including the 1925 Act but does not include an administrative receiver
"Sale Agreement"	a sale agreement dated the same date as this Legal Charge made between (1) the Seller and (2) the Buyer
"Second Instalment"	the Second Instalment defined in and payable in accordance with the terms of the Sale Agreement.
"Secured Amounts"	the Second Instalment and all other sums due to the Seller under the Sale Agreement or this Legal Charge
"Security"	any legal charge, debenture, mortgage, lien or other form of security granting any legal or equitable charge over the Property whether fixed or floating but does not include this Legal Charge
"Undertaking"	means the draft form of undertaking attached at Appendix 2
"Unit Disposal"	means the sale of a residential unit to be constructed on the Non-charged Property to a third

party or third parties

"Working Day"

any day from Monday to Friday (inclusive) which is not Christmas Day, Good Friday or a statutory bank holiday within England and Wales or any day between Christmas and New Year's Day(inclusive) that would otherwise be a Working Day.

1.2 Construction

In this Legal Charge:

- 1.2.1 the clause headings do not affect its interpretation;
- 1.2.2 unless otherwise indicated, references to clauses and Schedules are to clauses of and Schedules to this Legal Charge and references in a Schedule to a Part or paragraph are to a Part or paragraph of that Schedule;
- 1.2.3 references to any statute or statutory provision include references to:
 - 1.2.3.1 all Acts of Parliament and all other legislation having legal effect in the United Kingdom; and
 - 1.2.3.2 any subsequent statutes directly or indirectly amending, consolidating, extending, replacing or re-enacting that statute and also include any orders, regulations, instruments or other subordinate legislation made under that statute;
- 1.2.4 references to the Property include any part of it;
- 1.2.5 references to the powers of the Seller or the Receiver are references to the respective powers, discretions and rights given to the Seller or a Receiver under this Legal Charge, the 1925 Act, the Insolvency Act or otherwise given to or exercisable by the Seller or the Receiver;
- 1.2.6 "including" means "including, without limitation";
- 1.2.7 "indemnify" means to indemnify against all actions, claims, demands and proceedings taken or made against the Seller and all costs, damages, expenses, liabilities and losses incurred by the Seller;
- 1.2.8 where two or more people form a party to this Legal Charge, the obligations they undertake may be enforced against them all jointly or against each individually; and
- 1.2.9 if any provision is held to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remainder of this Legal Charge is to be unaffected.

1.3 Particulars

The Particulars form part of this Legal Charge and words and expressions set out in the Particulars are to be treated as defined terms in this Legal Charge.

1.4 Contracts (Rights of Third Parties) Act 1999

The parties to this Legal Charge do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person not a party to it.

2. CHARGE

2.1 Covenant to pay

The Buyer covenants with the Seller to pay the Secured Amounts to the Seller on demand.

2.2 Legal mortgage

The Buyer with full title guarantee charges the Property by way of first fixed legal mortgage with the payment of the Secured Amounts.

2.3 Continuing security

This Legal Charge is made for securing the Secured Amounts. It is a continuing security and will not be discharged by any payment on account of the whole or any part of the Secured Amounts.

2.4 Release

2.4.1 On the later of the following events to occur:

2.4.1.1 when no further Secured Amounts are due to the Seller and the Buyer has paid all Secured Amounts which have become due to the Seller;

2.4.1.2 the Buyer has provided the original Adoption Agreements duly signed and completed

the Seller will at the request and cost of the Buyer release the Property from this Legal Charge.

2.4.2 Subject to the Buyer procuring the Buyer's Solicitor to provide an Undertaking, on completion of this Legal Charge (or if later on receipt of the Undertaking) the Seller shall deliver to the Buyer's Solicitor:

2.4.2.1 Form DS3 duly executed by the Seller in respect of the Permitted Disposal comprising a transfer deed of the electricity substation which shall be held in escrow and released automatically on receipt by the Seller's solicitors of the certified copy of the said transfer deed and plan duly signed

2.4.2.2 Form DS1 duly executed by the Seller in respect of this Legal Charge which shall be held in escrow and released automatically on the later of:

(a) receipt by the Seller's Solicitor of all Secured Amounts due to the Seller (including the Second Instalment)

(b) receipt by the Seller's solicitors of the original Adoption Agreements duly signed and completed

2.4.3 The Seller agrees that during the subsistence of this Legal Charge the Seller will at the request of the Buyer release any part of the Property comprised in a Permitted Disposal from this Legal Charge on the following terms:

2.4.3.1 The Buyer shall not dispose of the Property save that it may make Permitted Disposals at any time and on as many occasions as the Buyer requires for the development of the Property during the term of this Legal Charge

- 2.4.3.2 The Seller shall upon written request and at the cost of the Buyer (provided that such costs are reasonable and proper:
- (a) (to the extent not covered by clause 2.4.2.1) execute such Land Registry forms DS3 and RX4 (or such other documents that are reasonably required to release the relevant part of the Property from the security created by this Legal Charge) in respect of such Permitted Disposals within 20 Working Days of its receipt of such a written request;
- (b) enter into any Infrastructure Agreements for the purpose only of confirming its interest as mortgagee of the Property is subject to the provisions of the Infrastructure Agreements PROVIDED THAT such agreement shall contain an indemnity from the Buyer in favour of the Seller in respect of all liability under such agreement and shall provide that the Seller shall not be liable under such agreement either prior to or following discharge of this charge. In the event that such agreement relates to the Property (or any part of the Property) together with other land it shall contain a declaration that the Chargee has joined in such agreement as mortgagee in respect of the Property only.

2.5 Land Registry restriction

The Buyer is to apply to the Land Registry on Land Registry form RX1 to enter a restriction on the register of the title number allocated to the Property by the Land Registry in the following Land Registry standard form:

"No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [28 September] 2018 in favour of Siglion Developments LLP referred to in the charges register." ES

3. COVENANTS

3.1 Restriction on further security

The Buyer is not to create or permit any Security to be created in or over the Property without the prior written consent of the Seller.

3.2 Restriction on leasing

The Buyer is not to create any Lease except in accordance with the terms of the Sale Agreement.

3.3 Insurance of the Property

The Buyer is to insure the buildings and fixed plant, machinery and fixtures forming part of the Property in the joint names of the Seller and the Buyer:

- 3.3.1 against loss or damage by fire and such other risks as the Seller may require;
- 3.3.2 in their full reinstatement cost, including the costs of demolition, site clearance and professional costs and expenses; and
- 3.3.3 through an insurance office or underwriters approved by the Seller.

3.4 Additional insurance obligations

The Buyer is to:

- 3.4.1 pay all insurance premiums as soon as they become due;

- 3.4.2 provide the Seller on request with a copy of the insurance policies effected by the Buyer together with evidence for the payment of the last premiums for those policies;
- 3.4.3 apply all monies received by virtue of any insurance policies in making good the loss of or damage to the Property or, if the Seller so directs, in or towards discharging the Secured Amounts; and
- 3.4.4 pay to the Seller on demand the costs of any insurance effected by the Seller to remedy any default by the Buyer in insuring under this **clause 3.6**.

3.5 **Statutory requirements**

The Buyer is to comply with all statutory and other requirements affecting the Property.

3.6 **Taxes and outgoings**

The Buyer is punctually to pay all taxes, duties, rates and outgoings payable in respect of the Property.

3.7 **Costs and expenses**

The Buyer is to pay on demand to the Seller or the Receiver:

- 3.7.1 all reasonable and proper costs and expenses which may be incurred by either of them in connection with:
 - 3.7.1.1 any consents or approvals which may be required in respect of the Property;
 - 3.7.1.2 negotiating, preserving, enforcing or seeking to preserve or enforce this Legal Charge or their respective rights and powers; and
 - 3.7.1.3 stamp duty land tax and other fees and costs arising from preserving the security created by this Legal Charge; and
- 3.7.2 interest on any costs and expenses payable under this Legal Charge from the date upon which they were demanded until repayment and as well after as before judgment at the Interest Rate.

4. **POWER OF SALE**

4.1 **Consolidation of mortgages**

The restrictions on the consolidation of mortgages in section 93 of the 1925 Act do not apply to this Legal Charge.

4.2 **Power of leasing**

The restriction on the powers of the Seller or the Receiver to grant Leases or to accept the surrender of Leases in sections 99 and 100 of the 1925 Act do not apply to this Legal Charge.

4.3 **Power of sale**

For the purposes only of section 101 of the 1925 Act, the Secured Amounts become due and the statutory power of sale and other powers of enforcement arise immediately after execution of this Legal Charge.

4.4 Exercise of power of sale

Section 103 of the 1925 Act does not apply to this Legal Charge and all moneys secured by this Legal Charge are immediately payable without any demand.

4.5 Events of default

This Legal Charge will become immediately enforceable and the powers of the Seller and the Receiver exercisable in any of the following events:

- 4.5.1 the Buyer does not pay the Secured Amounts when they fall due;
- 4.5.2 the Buyer does not comply with its obligations in this Legal Charge;
- 4.5.3 an order is made for the compulsory purchase of the whole or any part of the Property;
- 4.5.4 a receiver or administrative receiver is appointed of the whole or any part of the Property or any person takes possession of or exercises or attempts to exercise any power of sale in relation to the Property;
- 4.5.5 where the Buyer is a company, an administrator is appointed over the Buyer;
- 4.5.6 where the Buyer is a company, a petition is presented in any Court for or a meeting is convened for the purpose of considering a resolution for the winding up of the Buyer or a resolution is passed or an order made for the winding up of the Buyer;
- 4.5.7 where the Buyer is a company, a voluntary arrangement is made in respect of the Buyer under Part I Insolvency Act;
- 4.5.8 where the Buyer is an individual, a petition is presented for the bankruptcy of the Buyer or a bankruptcy order is made against the Buyer; or
- 4.5.9 where the Buyer is an individual, an interim order is made for a voluntary arrangement under section 252 Insolvency Act in respect of the Buyer.

4.6 Seller's powers

The power of sale and the other powers conferred by the 1925 Act or otherwise are extended and varied to authorise the Seller at its absolute discretion to do all or any of the things or exercise all or any of the powers which a Receiver is empowered to do under this Legal Charge.

5. APPOINTMENT OF RECEIVERS

5.1 Appointment of receivers

At any time after the Seller's power of sale has become exercisable, the Seller may appoint one or more than one Receiver in respect of the Property.

5.2 Removal of restrictions on appointment

None of the restrictions imposed by the 1925 Act in relation to the appointment of receivers or to the giving of notice or otherwise will apply.

5.3 Joint and several powers

If more than one Receiver is appointed the Receiver may act jointly or jointly and severally.

5.4 Additional or alternative receivers

The Seller may remove the Receiver and appoint another Receiver and the Seller may also appoint an alternative or additional Receiver.

5.5 Agent of the Buyer

The Receiver will, so far as the law permits, be the agent of the Buyer.

5.6 Buyer's liability

The Buyer alone will be responsible for the acts or defaults of the Receiver and will be liable on any contracts or obligations made or entered into by the Receiver.

5.7 Liability for default

The Seller will not be responsible for any misconduct, negligence or default of the Receiver.

5.8 Continuation of powers following liquidation or bankruptcy

The powers of the Receiver will continue in full force and effect following the liquidation or bankruptcy of the Buyer.

5.9 Receiver's remuneration

The remuneration of the Receiver may be fixed by the Seller but will be payable by the Buyer. The amount of the remuneration will form part of the Secured Amounts.

5.10 General powers of a Receiver

A Receiver will have the power on behalf and at the cost of the Buyer:

- 5.10.1 to do or omit to do anything which the Buyer could do or omit to do in relation to the Property; and
- 5.10.2 to exercise all or any of the powers conferred on the Receiver or the Seller under this Legal Charge or conferred upon receivers by the Insolvency Act, the 1925 Act or any other statutory provision (whether or not the Receiver was appointed pursuant to the relevant statutory provision).

5.11 Specific powers of a Receiver

Without limitation to the powers of the Receiver, the Receiver will have full power and discretion:

- 5.11.1 to take possession of and collect the income from the Property and for that purpose to take any proceedings in the name of the Buyer;
- 5.11.2 to carry on, manage or permit the carrying on and managing any business of the Buyer at the Property as the Receiver may think fit;
- 5.11.3 to sell, whether by public auction or private contract or otherwise, exchange, license or otherwise dispose of or deal with all or any part of the Property for such consideration, if any, and upon such terms as the Receiver thinks fit; and
- 5.11.4 to grant any Lease and to accept or agree to accept surrenders of Leases in such circumstances and for such purposes and upon such terms as the Receiver may think fit.

5.12 **Application of proceeds**

Sections 109(6) and 109(8) of the 1925 Act will not apply in relation to a Receiver appointed under this clause 5.

6. **DISTRIBUTIONS**

Subject to section 176A Insolvency Act, the net proceeds arising from the exercise of the powers of the Receiver will, subject to any claims ranking in priority to the Secured Amounts, be applied in or towards discharging in the following order of priority:

- 6.1.1 the costs, charges and expenses incurred and payments made by the Receiver in connection with or as a result of the exercise of the Receiver's powers and the costs, charges and expenses of and incidental to the Receiver's appointment;
- 6.1.2 the remuneration of the Receiver;
- 6.1.3 the Secured Amounts in such order as the Seller may determine; and
- 6.1.4 the claims of those entitled to any surplus.

7. **PURCHASER**

A purchaser from, tenant or other person dealing with the Seller or the Receiver will not be concerned to enquire whether any of the powers which they have exercised or purported to exercise have arisen or become exercisable.

8. **WARRANTIES**

8.1 The Buyer warrants to the Seller that:

- 8.1.1 neither the execution of this Legal Charge by the Buyer nor compliance with its terms will:
 - 8.1.1.1 conflict with or result in any breach of any law or enactment or any deed, agreement or other obligation or duty to which the Buyer is bound; or
 - 8.1.1.2 cause any limitation on any of the powers of the Buyer or on the right or ability of the directors of the Buyer to exercise those powers to be exceeded;
- 8.1.2 all consents required by the Buyer for the execution, delivery, issue, validity or enforceability of this Legal Charge have been obtained and have not been withdrawn;
- 8.1.3 no person having any charge or other form of security over the Property or any other assets of the Buyer has enforced or given notice of its intention to enforce such security; and
- 8.1.4 no Event of Default has occurred or is continuing.

9. **EXCLUSION OF LIABILITY AND MISCELLANEOUS**

9.1 **Liability for loss and damage**

The Seller and the Receiver will not be liable to the Buyer for any loss or damage incurred by the Buyer arising out of the exercise of their respective powers or any attempt or failure to exercise those powers.

9.2 Buyer's indemnity

The Buyer agrees with the Seller to indemnify the Seller and the Receiver against any exercise of the powers of the Seller or the Receiver or any attempt or failure to exercise those powers.

10. POWERS

10.1 Execution of documents

The Receiver will have power, either in the name of the Buyer or in the name of the Receiver, to execute documents and do all acts or things which may be necessary under this Legal Charge or in exercise of the Receiver's powers.

10.2 Power of attorney

The Buyer irrevocably appoints the Seller and separately the Receiver by way of security to be the attorney of the Buyer, with full power to appoint substitutes and to sub-delegate, for the purposes set out in clause 10.3.

10.3 Extent of power of attorney

The power of attorney given in clause 10.2 permits the Seller or the Receiver in the name of and on behalf of the Buyer:

10.3.1 to perfect the security given by the Buyer under this Legal Charge; and

10.3.2 to execute any document or do any act or thing which the Buyer is obliged to execute or do under this Legal Charge or which the Seller or the Receiver may in their absolute discretion consider appropriate in connection with the exercise of any of the powers of the Seller or the Receiver.

10.4 Disposal of chattels

If the Seller or the Receiver obtain possession of the Property and the Buyer does not remove any chattels on the Property, the Seller or the Receiver may remove and store or sell them without being under any liability to the Buyer other than to account for the net proceeds of the sale. All expenses and liabilities incurred by the Seller or the Receiver in connection with the removal, storage and sale of the chattels will form part of the Secured Amounts.

11. NOTICES

11.1 Form of notices

Any notice served under this Legal Charge is to be:

11.1.1 in writing;

11.1.2 signed by an officer of the party serving the notice or by its solicitors;

11.1.3 delivered by hand, first class post, pre-paid or recorded delivery or fax at the address of the party on whom it is served set out above or such other address which they may notify in writing to the other parties at any time.

11.2 Time of receipt

If a notice is received after 4.00 pm on a working day, or on a day which is not a working day, it is to be treated as having been received on the next working day.

11.3 Deemed receipt

Unless the time of actual receipt is proved, a notice served by the following means is to be treated as having been received;

11.3.1 if delivered by hand, at the time of delivery;

11.3.2 if sent by post, on the second working day after posting; or

11.3.3 if sent by fax, at the time of transmission.

12. LAW AND JURISDICTION

12.1 Governing law

This Legal Charge is to be governed by and interpreted in accordance with English law.

12.2 Jurisdiction

The courts of England are to have jurisdiction in relation to any disputes between the parties arising out of or related to this Legal Charge. This clause operates for the benefit of the Seller who retains the right to sue the Buyer and enforce any judgment against the Buyer in the courts of any competent jurisdiction.

13. EXECUTION

The Seller and the Buyer have executed this Legal Charge as a deed and it is delivered on the date set out in the Particulars.

EXECUTED and **DELIVERED** as a)
deed on the date hereinbefore first)
mentioned by)
SIGLION DEVELOPMENTS LLP)
acting by its member, **SIGLION LLP**



, signing on behalf of Siglion LLP

Witness Signature

Neil Hartley

Witness Name

NEIL HARTLEY

Witness Address

LORNE HOUSE
BRAEMORE ROAD
WYSALE
NG12 5QR

APPENDIX 1

Plan

APPENDIX 2

Draft Undertaking

Your Reference

Our Reference
2616238/AFM/TJE1

By Email

FAO: Joanna Sowerby
Eversheds Sutherland (International) LLP
Eversheds House
70 Great Bridgewater Street
Manchester
M1 5ES

Gowling WLG (UK) LLP
Two Snowhill
Birmingham
B4 6WR

DX 312501 Birmingham 86

Dear Sir/Madam

Property: Land at Chapelgarth

Our Client: Miller Homes Limited

Your Client: Siglion Developments LLP

Legal Charge: Legal Charge [] 2018 between (1) Miller Homes Limited and (2) Siglion Developments LLP

Pursuant to Clause 2.4.2.2 of the Agreement, we undertake to not date and complete the Form DS1 provided by Your Client pursuant to clause 2.4.2 of the Legal Charge before you acknowledge receipt of:

1. all Secured Amounts due to the Seller (including the Second Instalment) in full in cleared funds
2. the original Adoption Agreements duly signed and completed

Pursuant to Clause 2.4.2.1, we undertake to not date and complete the Form DS3 before you acknowledge receipt of a certified copy of the transfer deed of the electricity substation.

Yours faithfully

For and on behalf of Gowling WLG (UK) LLP

☎ **Enquiries please contact: Timothy Evans**
+44 (0)121 393 0228
timothy.evans@gowlingwlg.com
Gowling WLG (UK) LLP