

MR01

Particulars of a charge



Companies House

800595/23



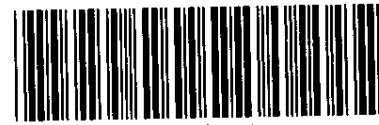
Go online to file this information
www.gov.uk/companieshouse

A fee is be payable with this form
Please see 'How to pay'

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument.

☐ **What this form is NOT for**
You may not use this form to
register a charge when the charge is
instrument. Use form MR01.

TUESDAY



A10 *A8G403U2* 15/10/2019 #286
COMPANIES HOUSE

This form must be delivered to the Registrar for registration within
21 days beginning with the day after the date of creation of the charge. If
delivered outside of the 21 days it will be rejected unless it is accompanied by a
court order extending the time for delivery.



You **must** enclose a certified copy of the instrument with this form. This will be
scanned and placed on the public record. **Do not send the original.**

1 Company details

Company number 11104584

Company name in full HAWKFIELD HOMES
(SOMERSET) LIMITED

Filing in this form

Please complete in typescript or in
bold black capitals.

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 07/10/2019

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge.

Name DPRS FINANCE LIMITED

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below.

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge.

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Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument.

Brief description

All The Property known as 10 A Parnell Road Clevedon BS21 6DB and adjoining land all of which is registered at The Land Registry under title numbers ST 186437 and ST 187927

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument".

Please limit the description to the available space.

5

Other charge or fixed security

Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box.

☒ Yes

☐ No

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Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box.

☐ Yes Continue

☒ No Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ Yes

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Negative Pledge

Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box.

☒ Yes

☐ No

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Trustee statement ¹

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge.

☐

¹ This statement may be filed after the registration of the charge (use form MR06).

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Signature

Please sign the form here.

Signature

Signature

X C. W. Power X
Shubz - Neath Rausbeck Golden Law

This form must be signed by a person with an interest in the charge.

MR01

Particulars of a charge

**Presenter information**

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name William PowerCompany name Neath RaisbeckAddress Golding Law Limited77-81 Alma RoadCliftonPost town Bristol

County/Region

Postcode BS8 2DP

Country

DX

Telephone 07711 264 939**Certificate**

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☒ The company name and number match the information held on the public Register.
- ☒ You have included a certified copy of the instrument with this form.
- ☒ You have entered the date on which the charge was created.
- ☒ You have shown the names of persons entitled to the charge.
- ☒ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8.
- ☒ You have given a description in Section 4, if appropriate.
- ☒ You have signed the form.
- ☒ You have enclosed the correct fee.
- ☒ Please do not send the original instrument; it must be a certified copy.

**Important information**

Please note that all information on this form will appear on the public record.

**How to pay**

A fee of £23 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House.'

**Where to send**

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below:

For companies registered in England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

For companies registered in Scotland:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

For companies registered in Northern Ireland:

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.

**Further information**

For further information, please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 11104584

Charge code: 1110 4584 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 7th October 2019 and created by HAWKFIELD HOMES (SOMERSET) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 15th October 2019.

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Given at Companies House, Cardiff on 22nd October 2019



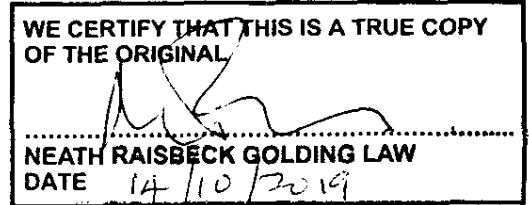
Companies House



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

DATED 7th OCTOBER 2019

Neath Raisbeck Golding Law
Bush House
77-81 Alma Road
Clifton Bristol
BS8 2DP
Registered Company No.: 05632155
Authorised & Regulated by the SRA No. 485529



DPRS Finance Limited

CORPORATE LEGAL CHARGE

Chargor: HAWKFIELD HOMES (SOMERSET)
LIMITED

Borrower: HAWKFIELD HOMES (SOMERSET)
LIMITED

IMPORTANT – PLEASE READ THIS NOTE BEFORE THIS LEGAL CHARGE IS EXECUTED

This Legal Charge is an important legal document. DPRS strongly recommends that you seek the advice of your solicitor or other legal adviser before executing this Legal Charge.

- This is a Legal Charge over the Property described in the Schedule and the other assets referred to in this Legal Charge.
- DPRS will hold this Legal Charge as security for all your debts and other liabilities owed to DPRS. This includes all present and future loans or facilities DPRS has granted or may in the future grant to you.
- Your liabilities under this Legal Charge will include any liabilities owed under any guarantee which you have given to or may give to DPRS in the future.
- If any of your debts or liabilities secured by this Legal Charge are not paid when due, DPRS can appoint a receiver, or take possession of the property and any of the assets charged by this Legal Charge and sell them.
- This Legal Charge is separate from and not limited by any other security or guarantee which you may have already given or may give to DPRS in the future.
- This Legal Charge contains other terms which affect you.

THIS LEGAL CHARGE is dated

7th October

2019

and is made **BETWEEN**

(1) **HAWKFIELD HOMES (SOMERSET) LIMITED** (Company number 11104584) whose registered office is situate at 4 King Square Bridgwater Somerset TA6 3YF ((the "Chargor") and;

(2) **DPRS FINANCE LIMITED** (Company Number 06549633) whose registered office is St Georges Lodge, 33 Oldfield Road, Bath, BA2 3NE ("DPRS")

1 DEFINITIONS

1.1 Defined Terms

In this Charge, unless the context otherwise requires:

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

Borrower The Chargor

Charged Property means the Property and all other assets and rights of the Chargor charged by this Charge;

Consents means all approvals, authorisations, consents, licences, permissions, filings and registrations which it is necessary or advisable to obtain from any Authority or, without limitation, any third party;

Default Rate means the rate specified as such in the Loan Agreement ;

Disposal means a sale, transfer, assignment, declaration of trust or other disposal (including by way of lease, tenancy or loan) by a person of all or part of its assets, whether by one transaction or a series of transactions and whether at the same time or over a period of time and "dispose" shall be construed accordingly;

Enforcement Date means the date on which DPRS demands the payment or discharge of all or any part of the Indebtedness or after the

occurrence of an Event of Default whether payment is demanded or not; or, if earlier:

- the date on which a petition for an administration order is presented in relation to the Chargor; or
- if any event occurs which in the opinion of DPRS is likely to have an adverse effect on DPRS's security or on the ability of the Chargor to comply with its obligations under the Loan Agreement or this Charge.

Environment means all gases, air, water vapour, controlled waters (including ground and surface water), soil (surface and subsurface), flora and fauna and all other natural resources;

Environmental Approvals means all Consents of any kind relating to Environmental Laws to which the Chargor or the Property or the use or occupation of the Property is subject;

Environmental Claims means any notification that land has been designated as contaminated in accordance with Part IIA of the Environmental Protection Act 1990 or any claim by any person in respect of losses or liabilities suffered or incurred by that person as a result of or in connection with any violation of Environmental Laws or Environmental Approvals or giving rise to any remedy or penalty that may be enforced or assessed by private or public legal action as a result of Environmental Contamination or any application for any interim or final judicial or administrative decree, injunction, cease and desist order, abatement order, compliance order, consent order, clean-up order, remediation notice, works notice or enforcement notice, stop notice, improvement notice, prohibition notice or revocation order in respect of Environmental Contamination or any other remedial action or action to comply that the Chargor is obliged to undertake pursuant to Environmental Laws or Environmental Approvals in respect of Environmental Contamination;

Environmental means the following and their consequences:

Contamination

- any release, leakage or spillage at or from any site owned or occupied by the Chargor into any part of the Environment of any toxic, poisonous, noxious or polluting matter or hazardous, detrimental or dangerous substances or thing;
- any accident, fire, explosion or sudden event which affects the Environment and is attributable to the operation, management or control of any site occupied by the Chargor including (without limitation) the storage, keeping, handling, labelling or disposal of waste (as defined in the Environmental Protection Act 1990) or hazardous, toxic or dangerous substances; and
- any designation of land as contaminated land for the purposes of Part IIA of the Environmental Protection Act 1990;

Environmental Laws includes all or any laws, statutes, rules, regulations, treaties, directives, bye-laws, directions, codes of practice, circulars, guidance notes, orders, notices, demands, decisions of the courts of any Authority whatsoever having jurisdiction which at any time relate to the Environment or Environmental Contamination, the protection of human health or the generation, transportation, storage, use, treatment or disposal of Hazardous Substances or the occupation or use of the Property or the operation of any business from or using the Property;

Event of Default means;

- the Chargor fails to make a payment under clause 2.1 of this Charge on the date that it is due;
- the Chargor fails in any way to comply with the terms of this Charge;

- the property is compulsorily purchased;
- any information provided by or and on behalf of the Chargor which affected DPRS's decision to make the loan pursuant to the Loan Agreement is false to a material extent;
- the Chargor ceases or disposes of its business or threatens to do so;
- the Chargor commences proceeding for voluntarily winding up;
- the Chargor enters into any arrangement benefiting its creditors;
- a receiver, administrative receiver, administrator, liquidator or trustee is appointed over the whole or any part of the assets of the Chargor;
- the Chargor is subject to proceedings relating to insolvency distress administration or the relief of creditors;
- the Chargor becomes insolvent or is unable to pay its debts for the purposes of section 123 of the Insolvency Act 1986;
- any provision of any guarantee given by a Guarantor of the liabilities of the Chargor under this Charge, the Loan Agreement or any Security Right becomes void voidable invalid or unenforceable;
- any steps are taken to wind up or dissolve the Chargor or any Guarantor other than when such steps are frivolous or vexatious or are dismissed within 7 days;
- any Security Right over any assets of the Borrower or any Guarantor becomes enforceable;

- any judgement distress warrant of attachment or similar process is issued levied or enforced upon the charged Property or any part thereof or any material part of the assets of the Chargor or any Guarantor which remains unsatisfied or unremediated within 21 days of it being issued;
- there is any change of corporate control of the Chargor without DPRS's prior approval;
- any circumstance or event occurs which (whether taken alone or together with any previous event or circumstances) constitutes an adverse change in the assets financial condition or prospects of the Chargor or any Guarantor and which, in the reasonable opinion of DPRS, could have an adverse effect on the ability of the Chargor or any Guarantor to perform its obligations under the Loan Agreement or any Security Right to which it is a party

and as may be further defined in the Loan Agreement

Fixtures means all assets of whatsoever nature, apart from land and buildings, forming part of any freehold or leasehold property owned by the Chargor;

Guarantor means any party giving a guarantee of the liabilities of the Chargor under this Charge;

Hazardous Substances means any natural or artificial substance (whether solid or liquid form or in the form of a gas or vapour and whether alone or in combination with any other substance) capable of causing harm to man or any other living organism supported by the Environment or damaging the Environment or public health or welfare, including but not limited to any controlled, hazardous, toxic or dangerous waste;

Indebtedness means all moneys, obligations and liabilities to be paid by the Chargor referred to in clause 2;

Insurances	means all present and future contracts or policies of insurance effected by the Chargor in accordance with this Charge or to which the Chargor is entitled in respect of the Charged Property;
Loan Agreement	means at any time the facility issued by DPRS and accepted by the Chargor in respect of facilities made available by DPRS to the Chargor and if there is more than one of them, as the context requires, means each and/or all such offers of loan;
Occupational Leases	means all leasehold interests and other occupational rights whatsoever (including, without limitation, all licences and agreements for leases) in existence from time to time relating to the whole or any part of the Charged Property;
Permitted Charge	means any charge over the Charged Property which has been granted or permitted to subsist with the prior written consent of DPRS and "Permitted Chargee" shall be construed accordingly;
Planning Acts	means the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning and Compensation Act 1991, the Local Government Planning and Land Act 1980, the Countryside and Rights of Way Act 2000 and the Ancient Monuments and Archaeological Areas Act 1979;
Property	means the property described in the Schedule;
Receiver	means any one or more receivers and/or managers appointed by DPRS pursuant to this Charge over all or any part of the Charged Property including any substituted receiver and/or manager;
Regulation	includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any Authority;

Rights	means all the Chargor's rights, title and interest from time to time in any lease, licence or occupational right whatsoever together with the entire benefit of all the Chargor's rights, title and interest from time to time in any renewal of, replacement of or variation to any such lease, licence or occupational right (including, without limitation, all its rights, title and interest in any Occupational Lease, agreement for any Occupational Lease and any associated agreements which may be granted by the Chargor or any person deriving title from the Chargor from time to time over or in respect of the whole or any part of the Charged Property);
Security Right	means any mortgage, debenture, charge (whether fixed or floating), pledge, lien, hypothecation, standard security, assignment by way of security or other security interest or arrangement of any kind having the effect of conferring security of any kind;
Securities	means the assets of the Chargor described in clause 3.1(b);
Subsidiary	shall have the meaning given to it by section 736 of the Companies Act 1985;
Transfer	has the meaning set out in clause 18.5(b);
Transferee	has the meaning set out in clause 18.5(b).

2 INDEBTEDNESS SECURED ON THE CHARGED PROPERTY

2.1 Indebtedness

The Chargor hereby covenants that it will pay to DPRS all moneys and discharge all obligations and liabilities now or in the future due, owing or incurred to DPRS when the same become due for payment or discharge whether by acceleration or otherwise. The moneys, obligations or liabilities which are due, owing or incurred to DPRS may be:

- express or implied;
- present, future or contingent;
- joint or several;
- incurred as principal or under a guarantee or indemnity to DPRS;
- originally owing to DPRS or purchased or otherwise acquired by it;

- denominated in Sterling or in any other currency; or
- incurred on any banking or other account or in any other manner whatsoever.

2.2 Other liabilities

The liabilities referred to in clause 2.1 shall, without limitation, include:

- (a) all liabilities arising under this Charge including without limitation under clause 13;
- (b) all liabilities under or in connection with foreign exchange transactions, interest rate swaps and other arrangements entered into for the purpose of limiting exposure to fluctuations in interest or exchange rates; and
- (c) interest (both before and after judgment) to date of payment at such rates and upon such terms specified in the Loan Agreement, commission, fees and other charges (including interest rate breakage costs) and all legal and all other costs, charges and expenses (including any internal management, monitoring or enforcement costs, charges and expenses of DPRS) on a full and unqualified indemnity basis which may be incurred by DPRS in relation to any of the Indebtedness or any guarantee in respect of any part of the Indebtedness, or otherwise in respect of the Chargor or any guarantor of any part of the Indebtedness.

3 CHARGES

3.1 Fixed charges

The Chargor with full title guarantee as a continuing security for the payment and discharge of the Indebtedness hereby charges to DPRS:

- (a) *Property*: by way of legal mortgage the Property together with all buildings, Fixtures (including trade Fixtures) and fixed plant and machinery from time to time on the Property together with all estates, rights, title, options, easements and privileges appurtenant to, or benefiting, the same including all beneficial interests and Rights of the Chargor in the Property and in any proceeds of sale or disposal of any part of the Property;

- (b) *Securities:* by way of fixed charge any shares held by the Chargor in any company from time to time which has any rights in or connected to the Property; and
- (c) *Guarantees:* by way of fixed charge the benefit of all guarantees, indemnities, rent deposits, agreements, contracts, undertakings and warranties relating to the Charged Property.

3.2 Assignment

The Chargor with full title guarantee as a continuing security for the payment and discharge of the Indebtedness hereby assigns to DPRS:

- (a) *Goodwill:* the goodwill of the business carried on by the Chargor at the Property together with the benefit of any licences and registrations required or obtained for the running of such business;
- (b) *Insurances:* all moneys from time to time payable to the Chargor under or pursuant to the Insurances including without limitation the refund of any premiums.

3.3 Assignment provisions

In respect of the Charged Property which is assigned to DPRS under clause 3.2 and clause 8.9:

- (a) it is assigned absolutely but subject to reassignment upon the Indebtedness being paid or discharged in full and there being no future or contingent Indebtedness which may arise, whereupon DPRS shall, at the request and cost of the Chargor, reassign the Charged Property to the Chargor;
- (b) DPRS may (but shall not be obliged to), and the Chargor shall promptly on request by DPRS, give to any relevant third parties such notices of assignment as DPRS shall from time to time require; and
- (c) in respect of any Insurances assigned DPRS shall, notwithstanding the assignment, have no responsibility for the performance of the obligations of the Chargor thereunder, and the Chargor shall continue to observe and perform its obligations under the Insurances.

3.4 Credit balances

The Chargor irrevocably and unconditionally agrees that if there shall from time to time be any credit balance on any of its accounts with DPRS, DPRS shall have the absolute right to refuse to permit such credit balance to be utilised or withdrawn by the Chargor whether in whole or in part if at that time there is outstanding any of the Indebtedness which is due for payment.

3.5 H.M. Land Registry

The Chargor hereby applies for registration of the following restriction against each of the registered titles specified in the schedule (and against any title to any unregistered property specified in Part B of the Schedule which is or ought to be the subject of a first registration of title at H.M. Land Registry at the date of this Charge):

No disposition of the registered estate by the proprietor of the registered estates is to be registered without a written consent signed by the proprietor for the time being of the charge dated ~~7th Oct 2016~~ ^{1st Oct 2016} in favour of DPRS Finance Limited referred to in the charges register, or, if appropriate, signed on such proprietors behalf by its solicitor

3.6 Further advances

This Charge secures further advances made by DPRS to the Chargor.

4 OBLIGATIONS IN RESPECT OF THE CHARGED PROPERTY

4.1 Undertakings - Positive

The Chargor undertakes to DPRS that during the continuance of this security the Chargor shall at all times:

(a) *Deposit of deeds and Insurances:* subject to the entitlement of any person holding a Permitted Charge deposit with DPRS (to be held at the risk of the Chargor):

- all deeds and documents of title relating to the Charged Property and to any subordinate interest in any of them including, without limitation, all Occupational Leases;
- the Insurances; and
- such other documents relating to the Charged Property as DPRS may from time to time require;

- (b) *Compliance with covenants:* obtain and maintain all Consents and observe and perform all covenants, stipulations, requirements, court orders, regulations and obligations from time to time affecting the Charged Property and/or the use, ownership, occupation, possession, operation, repair, maintenance or other enjoyment or exploitation of the Charged Property whether imposed by statute, law or regulation, contract, lease, licence, grant or otherwise, carry out all registrations or renewals and not without the prior consent in writing of DPRS enter into any onerous or restrictive obligations affecting any of the same;
- (c) *To comply with statutes:* comply with all requirements of any Authority, all obligations under any statute, all Consents, bye-laws and regulations relating to the whole or any part of the Charged Property;
- (d) *Pay outgoings:* punctually pay, or cause to be paid, and indemnify DPRS and/or any Receiver against, all present and future rent, rates, taxes, duties, charges, assessments, impositions and outgoings whatsoever (whether parliamentary, municipal, parochial or otherwise) now or at any time during the continuance of this security payable charged or assessed on or in respect of the Charged Property or any part of it or by the owner or occupier of it;
- (e) *Environmental:*
 - (i) obtain and maintain in full force and effect all Environmental Approvals and ensure that the business and/or operations carried on at the Property comply in all respects with all Environmental Laws and Environmental Approvals;
 - (ii) promptly on becoming aware of it inform DPRS 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 setting out the action which is to be taken with respect to that Environmental Claim; and
 - (iii) notify DPRS promptly on becoming aware of any Environmental Contamination at or brought on to the Property or circumstances likely to lead to Environmental Contamination 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 Environmental Contamination or circumstances likely to lead to Environmental Contamination so as to prevent an Environmental Claim, endeavouring always to minimise the danger or harm arising to the Environment;

- (f) *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 Property or the area in which the Charged Property is situated (a "notice"):
 - (i) give full written particulars to DPRS of such notice;
 - (ii) if required by DPRS forthwith, and at the Chargor's cost, take all necessary steps to comply with such notice; and
 - (iii) at the request of DPRS, and at the Chargor's cost, make or join with DPRS in making such objection or representation against, in respect of, or relating to, such notice as DPRS may in its discretion require;
- (g) *Breach of condition:* forthwith notify DPRS, in writing, upon the happening of an event which with the giving of time, fulfilment of a condition or giving of notice would constitute a breach of the obligations on the part of the Chargor contained in this Charge;
- (h) *Maintenance of Charged Property:* keep the Charged Property in good and substantial repair and in good working order and condition replacing items beyond repair with equivalent items;
- (i) *Manage:* manage the Charged Property and any person occupying the whole or any part of the Charged Property under any Occupational Lease in accordance with the principles of good estate management and in any manner that DPRS may in its discretion require;
- (j) *Access:* permit any person authorised by DPRS access at reasonable times (except in the case of emergency when access may be at any time) to view the state and condition of the Charged Property;
- (k) *Business:* conduct and carry on its business in a proper and efficient manner and not make any substantial alteration in the nature of or mode of conduct of that

business and keep or cause to be kept proper books of account relating to such business;

- (l) *Permitted Charge:* punctually pay all sums from time to time due to any Permitted Chargee of the Charged Property and observe and perform the covenants and obligations on the part of the Chargor contained in any Permitted Charge and not without the prior written consent of DPRS increase or seek to increase the priority of or principal sum owing to any Permitted Chargee;
- (m) *Information:* give to DPRS such information as DPRS shall reasonably require as to all matters relating to the Charged Property;
- (n) *Compliance with duties:* comply with the Chargor's obligations contained or implied in this Charge, any Security Rights or the Loan Agreement;
- (o) *Leasehold Property:* promptly to tell DPRS if the Chargor acquires any interest in an estate superior to the Lease under which the Chargor holds the Property or in any entity which owns such an estate or if the Chargor acquires any extension or renewal of such Lease and in such case to enter into a Legal Mortgage in respect of the interest that the Chargor has acquired in such form as DPRS reasonably requires.
- (p) *Bank Account:* to maintain a suitable bank or other account from which payments due under the Loan Agreement due to DPRS may be debited.

4.2 Undertakings - negative

The Chargor undertakes to DPRS that during the continuance of this security the Chargor shall:

- (a) *Alteration or development of the Property:* not without the prior consent in writing of DPRS make any structural or material alteration to the Property or any premises forming part of the Property or do or permit to be done anything which is "development" or a change of use within the meaning of the Planning Acts from time to time or any orders or regulations under such Acts or do or permit or omit to be done any act, matter or thing as a consequence of which any provision of any statute, bye-law, order or regulation or any condition of any Consent (whether of a public or private nature) from time to time in force affecting the Property is or may be infringed. In the event of DPRS giving consent to commence and proceed with any works, the Chargor shall, without

delay, carry out those works to DPRS's satisfaction in accordance and within the provisions and conditions of the consent. The Chargor shall not sever, unfix or remove any of the Fixtures or plant or machinery on the Charged Property except for the purposes of effecting any necessary repairs, or of replacing the same with new and improved models;

- (b) *Possession of Property*: not without the prior consent in writing of DPRS (and then only in accordance with any conditions that may be attached to such consent) dispose of the Property or any estate or interest in it (including, without limitation, rental income in respect of the Property) 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, sublet or part with possession of the same or any part thereof (or agree to do any of these things) or permit any person to:
 - (i) be registered (jointly with the Chargor or otherwise) as proprietor under the Land Registration Acts of the Property (and the Chargor will indemnify DPRS against the costs of entering any caution against such registration) or create or permit to arise any overriding interest affecting the same within the definition in those Acts or permit any person to assert any proprietary or other similar right or interest over the Property; or
 - (ii) become entitled to any right, easement, covenant, interest or other title encumbrance which might adversely affect the value or marketability of the Property;
- (c) *Jeopardy*: not do or cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value (whether monetary or otherwise) to DPRS of the whole or any part of the Charged Property;
- (d) *Security Rights and disposals*: not without the prior written consent of DPRS:
 - (i) create or purport to create or permit to subsist any Security Right over the whole or any part of the Charged Property other than a lien arising by operation of law (arising in the ordinary course of the Chargor's business and securing amounts not more than 30 days overdue) and any Permitted Charge; or

- (ii) assign or create a Security Right over, or otherwise deal with the income from any lease or tenancy of, the Property; or
 - (iii) dispose of all or any part of the Charged Property or agree to do so; or
 - (iv) permit or agree to any variation of the Rights attaching to the whole or any part of the Charged Property;
- (e) *Licensed premises:* not oppose any application by DPRS or a Receiver for the transfer grant or renewal of any justices or excise licence relating to the Property;
- (f) *VAT:* not without the consent of DPRS, elect to waive exemption under paragraphs 2-4 of Schedule 6A to the Value Added Tax Act 1983 (amended as by the Finance Act 1989) in respect of any supply made in relation to the Charged Property or any part of it or any other building, parade, precinct or complex or any agricultural land (including the buildings on such land) in which the Chargor has a right or licence to occupy within the meaning of paragraph 3(2) of Schedule 6A to the Value Added Tax Act 1983 (as amended by the Finance Act 1989) which could give rise to a deemed election in relation to the Charged Property;
- (g) *Compulsory purchase:*
 - (i) except with the prior written consent of DPRS, not consent to, or enter into any negotiations with any Authority with regard to, the acquisition of the whole or any part of the Charged Property;
 - (ii) if so requested by DPRS, permit DPRS or its agent or anyone engaged by DPRS to conduct such negotiations or give such consent on the Chargor's behalf; and
 - (iii) if a notice is given to the Chargor by an Authority that such Authority intends to acquire the whole or any part of the Charged Property and such notice contains any condition, not, at any time after the date of such notice, to do or omit or suffer to be done or omitted any act or thing which may be in breach of such condition.

- (h) *Grants:* Not without the prior written consent of DPRS to obtain an improvement or similar grant in respect of the Charged Property or any part of it.

4.3 No limitation

None of the undertakings in clause 4 shall be construed as limiting any powers exercisable by any Receiver appointed by DPRS under this Charge.

5 INSURANCE

5.1 Insurance

Subject to clause 5.4 the Chargor shall maintain the following Insurances on terms, in amounts and with an insurer previously approved in writing by DPRS:

- (a) insurance of the Charged Property to its full replacement or reinstatement cost from time to time (including, where applicable, the cost of demolition and site clearance, architects', surveyors' and other professional fees and incidental expenses in connection with the replacement or reinstatement and Value Added Tax) against all risks which a prudent owner would insure including, without limitation, loss or damage (including, where the Property is tenanted, for a minimum of three years' loss of rent) by fire, storm, lightning, terrorist risks, explosion, earthquake, riot, civil commotion, malicious persons or malicious damage, impact, flood, escape of water or oil, subsidence, heave and landslips, aircraft and other aerial devices or articles dropped therefrom and such other risks and contingencies as DPRS shall from time to time require;
- (b) insurance against loss of any justices or excise licence necessary for the conduct of the business at the Property;
- (c) property owner's liability insurance to include, without limitation, insurance against risks and liabilities to employees and third parties; and
- (d) insurance incorporating a mortgagee protection clause, whereby the Insurances will not be invalidated, vitiated or avoided as against a mortgagee in the event of any misrepresentation, act, omission, neglect or failure to disclose on the part of the insured.

Without prejudice to the foregoing requirements of DPRS the Chargor shall be responsible during the subsistence of this Charge for ensuring the adequacy and scope

of the insurance cover. In the event of an insurance claim DPRS shall not be liable to the Chargor if the sum insured does not cover the full reinstatement cost of the Charged Property (the Chargor making up any shortfall out of its own moneys). The Insurances effected shall not be amended by the Chargor without the prior written consent of DPRS.

5.2 Joint names

The Insurances shall be (on a composite basis) in the joint names of the Chargor and DPRS or, if DPRS wishes, in the sole name of the Chargor but with DPRS's interest as mortgagee noted on them. The Chargor shall procure that the Insurances name DPRS as loss payee. The Chargor undertakes to obtain from the insurer an undertaking in the form required by DPRS that the insurer will inform DPRS in writing of the non-renewal or cancellation of the Insurances.

5.3 Payment of premiums

The Chargor shall promptly pay all premiums and other moneys necessary for effecting and keeping up the Insurances and on demand produce to DPRS evidence of such payments and comply in all other respects with the terms and conditions of the Insurances including, without limitation, any stipulations or restrictions as to the use and/or operation of the Property.

5.4 Leases

In the case of any leasehold property where the Chargor is prohibited by the terms of the relevant lease from complying with the obligations referred to in this clause 5 procure (where it is empowered to do so) or otherwise use all reasonable efforts to procure the maintenance by the landlord (or other third party) of such insurance obligations in accordance with the provisions of the relevant lease with DPRS's interest as mortgagee noted on such insurance policies.

5.5 Insurance proceeds

Subject to any Permitted Charge or the terms of any lease of the Property, all moneys receivable by virtue of any of the Insurances shall be paid to DPRS (or if not paid by the insurers directly to DPRS shall be held on trust for DPRS) and shall at the option of DPRS be applied in replacing, restoring or reinstating the Property (any deficiency being made good by the Chargor) or in reduction of the Indebtedness.

6 PLANNING

6.1 Applications and implementation

The Chargor shall:

- (a) not, except with the prior written consent of DPRS, make any application for planning permission. In the event of planning permission being obtained by the Chargor, the Chargor will produce that permission to DPRS within seven days of receipt of it;
- (b) not implement any planning permission received by it until it has been acknowledged by DPRS to be acceptable to it;
- (c) observe, perform, comply with and cause observance, performance and compliance with the provisions of all statutes in force including the requirements of any Authority relating to the Charged Property or anything done on it by the Chargor, in particular (but without prejudice to the generality of the foregoing), the provisions and requirements of the Planning Acts;
- (d) not, except with the prior written consent of DPRS, enter into, or agree to enter into, any agreement under section 106 of the Town and Country Planning Act 1990 (Agreement regulating development or use of land), section 33 of the Local Government (Miscellaneous Provisions) Act 1982 (Enforceability by local authorities of certain covenants relating to land), section 38 of the Highways Act 1980 (Power of highway authorities to adopt by agreement), section 278 of the Highways Act 1980 (Contributions towards highway works), section 111 of the Local Government Act 1971 (Subsidiary powers of local authorities) or generally under the Planning Acts or any other similar Act; and
- (e) comply with any conditions attached to any Consent under the Planning Acts relating to or affecting the Charged Property.

6.2 Representation

The Chargor represents and warrants to DPRS that it has not, prior to the date of this Charge, carried out or permitted to be carried out any development within the meaning of the Planning Acts upon the Charged Property in respect of which any requisite permission has not been obtained and that all conditions, subject to which such permissions have been granted have been duly complied with.

7 LEASING THE CHARGED PROPERTY

7.1 Obligations in relation to leasing

The Chargor shall:

- (a) not, without the prior consent in writing of DPRS, exercise any powers of leasing, agree to lease or accept surrenders of leases conferred upon the Chargor by sections 99 and 100 of the Law of Property Act 1925;
- (b) not, without the prior consent in writing of DPRS, vary any lease permitted or existing at the date of this Charge or enter into or permit or suffer any parting with possession of or sharing arrangements in respect of the Charged Property or any part of it;
- (c) without prejudice to clauses 7.1(a) and 7.1(b), procure that no person shall be or become entitled without the consent of DPRS to assert any proprietary or other title, right or interest which might affect the value of the Charged Property;
- (d) in the event of consent being given by DPRS for the grant of any lease under clause 7.1(a), (b) or (c) of the Charged Property, deliver to DPRS for retention by DPRS during the existence of this Charge, a duly completed and stamped counterpart of that lease;
- (e) with respect to any lease or underlease under which the Charged Property is held:
 - (i) pay the rent reserved by and observe and perform the lessee's covenants and conditions contained in that lease;
 - (ii) enforce against the lessor the covenants and conditions given by the lessor in the lease;
 - (iii) not vary the terms of such lease without the prior consent in writing of DPRS;
 - (iv) not agree the amount of any reviewed rent without the prior consent in writing of DPRS. In the event that such rent is determined by a third party, the Chargor shall procure that any representations made by DPRS are made to the third party to the reasonable satisfaction of DPRS;

- (v) not, without the prior consent in writing of DPRS, agree the terms of any renewed lease or the amount of any interim rent payable under section 24A of the Landlord and Tenant Act 1954. In the event that the terms of the renewed lease or rent are determined by the court, the Chargor shall make such representations to the court as DPRS may require. Immediately after any such renewed lease is granted to the Chargor, the Chargor shall execute a legal charge over such lease in the form required by DPRS;
- (vi) immediately notify DPRS of any matter or event under or by reason of which any lease has or may become subject to determination or forfeiture; and
- (vii) if so required by DPRS, join with DPRS in bringing any proceedings against the landlord under such lease for forfeiture, determination or otherwise.

7.2 Occupational Leases

The Chargor shall with respect to the Occupational Leases:

- (a) comply with all restrictive and other covenants and obligations, however arising, to be performed by it as lessor under any Occupational Lease;
- (b) enforce all restrictive and other covenants and obligations, however arising, owed to it as lessor under any Occupational Lease;
- (c) not waive, release or vary (or agree to do so) any Rights or any provision of any Occupational Lease without the prior consent in writing of DPRS;
- (d) not agree the amount of any reviewed rent without the prior consent in writing of DPRS and in the event of such rent being determined by a third party to procure that any representations made by DPRS are put before such third party to the reasonable satisfaction of DPRS;
- (e) not agree the terms of any renewed lease or the amount of any interim rent payable under section 24(A) of the Landlord and Tenant Act 1954 without the prior consent in writing of DPRS and in the event that the terms of such renewed lease or rent are determined by the court to procure that any

representations made by DPRS are put before the court to the reasonable satisfaction of DPRS;

- (f) forthwith notify DPRS of any matter or event by reason of which the Occupational Leases have or may become subject to determination or forfeiture;
- (g) if so required by DPRS join with DPRS in bringing proceedings against the lessees under the Occupational Leases;
- (h) not grant any Consent under the Occupational Leases without the prior consent in writing of DPRS;
- (i) not except with the prior written consent of DPRS:
 - (i) exercise any option or power to break, terminate, renew or extend any Occupational Lease;
 - (ii) accept or agree to accept any surrender of any Occupational Lease; or
 - (iii) grant any Consent or licence as lessor or grantor under any Occupational Lease; and
- (j) allow, and shall procure that any person occupying the whole or any part of the Charged Property under any Occupational Lease shall allow, DPRS and its agents, with or without surveyors, workmen or others authorised by it upon prior notice (except in an emergency when no notice shall be required) to enter the Charged Property in order to view the Charged Property, to carry out any repairs on the Charged Property which DPRS considers necessary or to do anything DPRS is entitled to do pursuant to clause 8.6.

7.3 Representation

The Chargor represents and warrants to DPRS that the Occupational Leases are valid, binding and enforceable in accordance with their respective provisions and the details of the Occupational Leases provided to DPRS are true and accurate.

7.4 Compensation

- (a) The Chargor undertakes with DPRS that in the event that any moneys pursuant to section 25 of the Law of Property Act 1969 and/or the Landlord and Tenant Act 1954 or otherwise become payable to DPRS during the continuance of this

security they shall, unless DPRS otherwise agrees in writing, be applied towards the discharge of the Indebtedness;

- (b) DPRS shall be entitled and is authorised by the Chargor and appointed the Chargor's attorney on its behalf to give a good receipt on behalf of the Chargor to the Chief Land Registrar or such other payer of any compensation payable to the Chargor under clause 7.4(a);
- (c) In the event that any compensation shall actually be received by the Chargor, the Chargor shall hold the same on trust for DPRS to be applied by DPRS towards the discharge of the Indebtedness.

8 CERTAIN POWERS OF DPRS

8.1 Powers on enforcement

Section 103 of the Law of Property Act 1925 shall not apply. At any time on or after the Enforcement Date or if requested by the Chargor, DPRS may, without further notice, and whether or not a Receiver shall have been appointed, exercise all the powers conferred upon mortgagees by the Law of Property Act 1925 as varied or extended by this Charge and all the powers and discretions conferred by this Charge on a Receiver either expressly or by reference. In the event of any conflict between the powers contained in the Law of Property Act 1925 and those conferred by this Charge, the terms of this Charge shall prevail.

8.2 Redemption of Permitted Charges

At any time on or after the Enforcement Date, or if the holders of any Permitted Charges shall take any step to enforce them or demand the money thereby secured, DPRS may pay off all or any of the Permitted Charges and take a transfer of the benefit of them or redeem the same, and the money so expended by DPRS and all costs of and incidental to the transaction incurred by DPRS shall be repayable by the Chargor to DPRS on demand, shall constitute part of the Indebtedness and shall bear interest at the Default Rate from the date of payment by DPRS.

8.3 Subsequent Security Rights

If DPRS receives or has notice (actual or constructive) of any subsequent Security Right affecting the Charged Property or any part of it or if the continuing nature of this Charge is determined for any reason, DPRS may open a new account for the Chargor. If it does not do so then, unless DPRS gives express written notice to the contrary to the Chargor for the purposes of this Charge, DPRS shall nevertheless be treated as if it had opened a new account at the time when it received or had such notice and as from that time all payments made by or on behalf of the Chargor to DPRS shall be credited or be treated as having been credited to the new account and shall not operate to reduce the amount due from the Chargor to DPRS at the time when it received such notice.

8.4 Settlement of accounts

Any sale or other disposition by DPRS or by a Receiver may be made either subject to or discharged from any prior charge or upon such terms as to indemnity as DPRS or such Receiver may think fit. DPRS or the Receiver may settle and pay the accounts of any person in whom any prior charge may from time to time be vested and any accounts so settled and paid shall as between DPRS, the Receiver and the Chargor be deemed to be properly settled and paid and shall be binding on the Chargor accordingly. The money so expended by DPRS shall be repayable by the Chargor to DPRS on demand, shall constitute part of the Indebtedness and shall bear interest at the Default Rate from the date of payment by DPRS.

8.5 Contingencies

If DPRS enforces the security constituted by this Charge at a time when no amount in respect of the Indebtedness is due and payable, or when the amount due and payable is not ascertained, DPRS (or the Receiver) may pay the proceeds of any recoveries effected by it into an interest-bearing suspense account. DPRS may withdraw amounts standing to the credit of such suspense account for application in accordance with clause 12.1.

8.6 Power to Remedy

If the Chargor at any time defaults in complying with any of its obligations contained in this Charge, DPRS 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 DPRS and its 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 DPRS shall be repayable by the Chargor to DPRS on demand together with interest at the Default Rate from the date of payment by DPRS until such repayment, both before and after judgment. No exercise by DPRS of its powers under this clause 8.6 shall make it liable to account as a mortgagee in possession.

8.7 Sale of Assets

The Chargor hereby irrevocably authorises DPRS and any Receiver at any time on or 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, fittings and equipment, wet and dry stock, of the Chargor then or at any time thereafter on the Property whether or not such things are Charged Property and to set-off the proceeds of such sale or letting against the Indebtedness.

8.8 The Securities

After the Enforcement Date the Chargor will if so requested by DPRS transfer all or any of the Securities to such nominees or agents as DPRS may select.

8.9 Assignment of rents

After the Enforcement Date the right to recover all rents reserved by any Occupational Lease shall automatically be assigned to and vest in DPRS.

8.10 Statutory power of leasing

DPRS may exercise the powers of leasing and agreeing to lease land under sections 99 and 100 of the Law of Property Act 1925 without going into possession of the Charged Property. In exercising such powers (whether with or without going into possession) DPRS may grant any lease or tenancy of the Charged Property or any part of it for any term and at any or no rents with or without any fine or premium and generally on such terms as it shall, in its absolute discretion, think fit. DPRS shall give an effectual receipt for any fine or premium payable on any such grant without the necessity for DPRS to comply with the restrictions imposed by sections 99 and 100 of the Law of Property Act 1925.

9 APPOINTMENT AND POWERS OF RECEIVER

9.1 Appointment

At any time on or after the Enforcement Date or if requested by the Chargor, or if the security created by this charge shall in DPRS's opinion be in jeopardy, DPRS may by instrument in writing executed as a deed or under the hand of any director or other duly authorised officer appoint any person to be a Receiver of the Charged Property or any part of it. Where more than one Receiver is appointed, each joint Receiver shall have power to act severally, independently and to the exclusion of any other joint Receivers, except to the extent that DPRS may specify to the contrary in the appointment. DPRS may (subject, where relevant, to section 45 of the Insolvency Act 1986) remove any Receiver so appointed and appoint another in his place.

9.2 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 liable on any contracts and engagements made or entered into by him and shall alone be responsible for his remuneration.

9.3 Powers of Receiver

Any Receiver shall have all the powers conferred from time to time on 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 on behalf, and at the expense, of the Chargor (notwithstanding the liquidation of the Chargor) to do or omit to do anything which the Chargor could do or omit to do in relation to the Charged Property 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 Property and exercise in respect of the Securities all voting or other powers or rights available to a registered holder in such manner as he may think fit;
- (b) *Manage the Charged Property:* to manage, develop, alter, improve, build, reconstruct or reinstate and replace the Charged Property 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 Property;

- (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 Property 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 Property 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 other the 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 DPRS may contain conditions excluding or restricting the personal liability of the Receiver or DPRS;
- (e) *Form subsidiaries:* to promote the formation of companies with a view to the same becoming a Subsidiary of the Chargor and purchasing, leasing, licensing or otherwise acquiring interests in all or any of the Charged Property or in anything else, arrange for such companies to trade or cease to trade and to purchase, lease, license or otherwise acquire all or any of the Charged Property on such terms and conditions whether or not including payment by instalments secured or unsecured as he may think fit;

- (f) *Compromise contracts:* to make any arrangement or compromise (including without limitation agreeing to any changes to the rent payable in respect of the Property) or enter into perform or cancel any contracts or agreements which he shall think expedient;
- (g) *Repair and maintain assets:* to make and effect such repairs, renewals and improvements to the Charged Property or any part of it as he may think fit and in doing so to purchase materials;
- (h) *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 Property as he may in his discretion think fit;
- (i) *Make calls:* to make calls conditionally or unconditionally on the members of the Chargor in respect of uncalled capital;
- (j) *Compensation:* to negotiate for compensation with any Authority which may intend to acquire or be in the process of acquiring the Charged Property or any part of it and make objections to any order for the acquisition of the Charged Property 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;
- (k) *Legal proceedings:* to institute, continue, enforce, defend, settle or discontinue any actions, suits or proceedings in relation to the Charged Property or any part thereof or submit to arbitration as he may think fit;
- (l) *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 9.3 or to guard or protect the Charged Property at such salaries and remuneration and for such periods and on such terms as he may determine and may dismiss the same;
- (m) *Borrow money:* to raise or borrow money, obtain bonds or guarantees or incur any other liability from anyone on such terms with or without security as he may think fit and so that any such security may be or include a charge on the whole or any part of the Charged Property or any other property acquired by the Receiver ranking in priority to this security or otherwise;

- (n) *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;
- (o) *Insurances*: to maintain, renew, take out or increase insurances (including indemnity insurance);
- (p) *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 Property 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;
- (q) *Tenancies*: to apply for and negotiate the terms of any renewed tenancy whether pursuant to the Landlord and Tenant Act 1954 or otherwise;
- (r) *Occupational Leases*: to make allowances and arrangements with any lessee or any tenant in respect of the rents receivable pursuant to an Occupational Lease;
- (s) *Rent review*: to operate and agree any rent review in respect of any lease or underlease of the Charged Property or any Occupational Leases and the amount of any interim rent payable pursuant to section 24(A) of the Landlord and Tenant Act 1954;
- (t) *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;
- (u) *Lender's powers*: to do anything DPRS has power to do under this Charge; and
- (v) *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 9.

9.4 Remuneration

DPRS may from time to time determine the remuneration of any Receiver and section 109(6) of the 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.

10 SET-OFF

10.1 Set-off

DPRS shall, with the irrevocable authority of the Chargor and, in addition to and without prejudice to any rights DPRS may have whether:

- (a) arising by operation of law or otherwise in consequence of the relationship between the parties to this Charge; or
- (b) by way of rights of general lien or set-off or as otherwise exist,

be entitled without notice at any time and from time to time to set-off or transfer any sum or sums standing to the credit of any account of the Chargor with DPRS at any of its branches, of whatever nature and whatever currency denominated, in or towards satisfaction of any sums due and payable from the Chargor to DPRS under this Charge.

10.2 Additional rights

If the liability in respect of which DPRS is exercising its rights of set-off is contingent, or not yet payable, it shall automatically be accelerated, and shall accordingly be due and payable, before and at the time of such set-off. If the sums standing to the credit of any account of the Chargor with DPRS at any of its branches against which set-off is to be made are not due or matured or otherwise payable, they shall notwithstanding anything to the contrary contained in this Charge be deemed already to be so for the purposes of the set-off contemplated in clause 10 provided that DPRS shall not be obliged to exercise any right given to it by clause 10.

10.3 Waiver

The Chargor hereby waives any right of set-off it may have from time to time in respect of the Indebtedness.

11 EFFECT OF ENFORCEMENT DATE

11.1 Enforcement Date

From the Enforcement Date, DPRS shall cease to be under any further commitment to the Chargor. The Indebtedness (other than contingent liabilities) not otherwise so payable shall immediately become payable on demand and the Chargor shall provide cash cover on demand for the maximum amount of its contingent liabilities to DPRS.

12 APPLICATION OF PROCEEDS AND PURCHASERS

12.1 Application of proceeds

Any moneys received by DPRS or by any Receiver appointed by it pursuant to this Charge and/or under the powers conferred by this Charge, shall be applied for the following purposes and, unless otherwise determined by DPRS or such Receiver, in the following order of priority:

- (a) in the payment of all costs, charges and expenses of and incidental to the Receiver's appointment and the payment of his remuneration;
- (b) in the payment and discharge of any liabilities incurred by the Receiver on the Chargor's behalf in the exercise of any of the powers of the Receiver;
- (c) in providing for the matters (other than the remuneration of the Receiver) specified in the first three paragraphs of section 109(8) of the Law of Property Act 1925;
- (d) in or towards payment of any debts or claims which are by statute payable in preference to the Indebtedness but only to the extent those debts or claims have that preference;
- (e) in or towards satisfaction of the Indebtedness; and
- (f) any surplus shall be paid to the Chargor or any other person who may be entitled to it.

12.2 Suspense account

Any moneys received, recovered or realised under the powers conferred under this Charge may, at the discretion of DPRS, be placed in a suspense account and kept there for so long as DPRS thinks fit pending application from time to time (as DPRS shall be

entitled to do as it may think fit) of such moneys in or towards discharge of the Indebtedness.

12.3 Law of Property Act 1925

The provisions of clauses 12.1 and 12.2 shall take effect as and by way of variation and extension to the provisions of section 109 of the Law of Property Act 1925.

12.4 Protection of purchasers

(a) Any person (including, without limitation, any purchaser, mortgagor or mortgagee) (in this clause a "**purchaser**") dealing with DPRS may assume without inquiry that:

- (i) some part of the Indebtedness has become due;
- (ii) a demand for such Indebtedness has been duly made; and
- (iii) such Indebtedness has become due within the meaning of section 101 of the Law of Property Act 1925;

(b) No purchaser dealing with the Receiver or DPRS is to be concerned to enquire whether any power exercised or purported to be exercised by the Receiver or DPRS has become exercisable, or as to the propriety or regularity of any sale by, or other dealing with, the Receiver or DPRS. Any such sale or dealing is deemed to be within the powers conferred by this Charge and to be valid and effective accordingly. All the protection to purchasers contained in section 104 and section 107 of the Law of Property Act 1925 and section 42(3) of the Insolvency Act 1986 apply to any purchaser.

13 INDEMNITIES AND COSTS AND EXPENSES

13.1 Enforcement costs

The Chargor hereby undertakes with DPRS to pay on demand all costs, charges and expenses including, without limitation, all legal and all other costs, charges and expenses (including any internal management, monitoring or enforcement costs, charges and expenses of DPRS) on a full and unqualified indemnity basis which may be incurred by DPRS or by any Receiver in or incidental to the enforcement, attempted enforcement, preservation or attempted preservation of any of the security created by or pursuant to this Charge or any of the Charged Property or in the administration and

management of the Chargor's accounts with DPRS or in the collection of the Indebtedness, together with interest at the Default Rate from the date on which such costs, charges or expenses are incurred until the date of payment by the Chargor (both before and after judgment). Any taxation of such costs, charges and expenses shall be on an indemnity basis.

13.2 No liability as mortgagee in possession

Neither DPRS nor any nominee, delegate or any Receiver shall be liable to account as mortgagee in possession in respect of all or any of the Charged Property or be liable for any loss upon realisation or exercise of any power, authority or right of DPRS or the Receiver arising under this Charge or for any act or default or omission of any nature whatsoever for which a mortgagee in possession may be liable as such.

13.3 Indemnity from Charged Property

DPRS and any Receiver, attorney, agent or other person appointed by DPRS or any Receiver under this Charge and DPRS's officers and employees (each an "**Indemnified Party**") shall be entitled to be indemnified out of the Charged Property 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 Charge; or
- (b) any breach by the Chargor of any of its obligations under this Charge; or
- (c) an Environmental Claim being made or asserted against an Indemnified Party which would not have arisen if this Charge had not been executed and which was not caused by the wilful default of the relevant Indemnified Party

and the Chargor shall indemnify DPRS and any Receivers against any such matters.

14 POWER OF ATTORNEY

14.1 Power of attorney

The Chargor by way of security hereby irrevocably appoints each of DPRS and any Receiver jointly and severally to be its attorney with full power of delegation in its name and on its behalf:

- (a) to sign, execute, seal, complete and deliver any document, deed, agreement, instruments or act which DPRS or such Receiver may require for perfecting the title of DPRS to the Charged Property or for vesting the same in DPRS, its nominees or any purchaser or generally for any of the purposes set out in this Charge;
- (b) to sign, execute, seal, complete and deliver and otherwise perfect any further security document referred to in clause 16; and
- (c) otherwise generally to sign, seal, execute and deliver all deeds, assurances, agreements 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 DPRS or a Receiver under this Charge or which may be deemed expedient by DPRS or a Receiver in connection with any Disposal, realisation or getting in by DPRS or such Receiver of the Charged Property or any part thereof or in connection with any other exercise of any power under this Charge.

14.2 Ratification

The Chargor shall ratify and confirm all transactions entered into by DPRS, any Receiver or any delegate of DPRS in the exercise or purported exercise of DPRS's or the Receiver's respective powers and all things done by DPRS, such Receiver or delegate by virtue of any power of attorney given by this clause 14.

14.3 Irrevocable

The Chargor hereby acknowledges that the power of attorney hereby granted to DPRS, any Receiver and its delegates and substitutes is granted irrevocably and for value as part of the security constituted by this Charge to secure the proprietary interests of and the performance of obligations owed to the respective donees within the meaning and for the purposes of the Powers of Attorney Act 1971.

15 CONTINUING SECURITY AND OTHER MATTERS

15.1 Continuing security

This Charge and the obligations of the Chargor under this Charge shall:

- (a) secure the Indebtedness owing to DPRS by the Chargor and shall be a continuing security notwithstanding any payment or settlement of account or other matter whatsoever;
- (b) be in addition to, and not prejudice or affect, any present or future guarantee, indemnity, Security Right, right or remedy held by or available to DPRS;
- (c) not merge with or be in any way prejudiced or affected by the existence of any such guarantees, indemnities, Security Rights, rights or remedies or by the same being or becoming wholly or in part void, voidable or unenforceable on any ground whatsoever or by DPRS 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;
- (d) not be discharged or affected by any failure of, or defect in, any agreement given by or on behalf of the Chargor in respect of any Indebtedness nor by any legal limitation in any matter in respect of any Indebtedness or by any other fact or circumstances (whether known or not to the Chargor or DPRS) as a result of which any Indebtedness may be rendered illegal, void or unenforceable by DPRS; and
- (e) remain binding on the Chargor notwithstanding any amalgamation, reconstruction, reorganisation, merger, sale or transfer by or involving DPRS or of the assets of DPRS and for this purpose this Charge and all rights conferred on DPRS under it may be assigned or transferred by DPRS accordingly.

15.2 Other security

DPRS shall not be obliged to resort to any guarantees, indemnities, Security Rights or other means of payment now or hereafter held by or available to it before enforcing this Charge and no action taken or omitted by DPRS in connection with any such guarantees, indemnities, Security Rights or other means of payment shall discharge, reduce, prejudice or affect the liability of the Chargor or the Indebtedness, nor shall DPRS be obliged to account for any money or other property received or recovered in

consequence of any enforcement or realisation of any such guarantees, indemnities, Security Rights or other means of payment.

15.3 Settlements conditional

Any release, discharge of this Charge or settlement of the Indebtedness shall be conditional upon no security, disposition or payment to DPRS by the Chargor or any other person being void, set aside, reduced 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 DPRS shall be entitled to enforce this Charge and any other rights it would have been entitled to exercise subsequently as if such release, discharge or settlement had not occurred and any such payment had not been made.

16 FURTHER ASSURANCE

16.1 Further assurance

The Chargor shall if and when at any time required by DPRS:

- (a) execute such further Security Rights and assurances in favour of DPRS and do and deliver all such acts and things as DPRS shall from time to time require over or in relation to all or any of the Charged Property to secure the Indebtedness or to perfect or protect the security intended to be created by this Charge over the Charged Property or any part of it; and
- (b) at any time on or after the Enforcement Date do and execute all acts, deeds and documents which DPRS may then require to facilitate the realisation of the Charged Property.

16.2 Certain documentary requirements

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

17 CURRENCIES

17.1 Conversion of currencies

All moneys received or held by DPRS or by a Receiver under this Charge at any time on or after the Enforcement Date in a currency other than a currency in which the Indebtedness is denominated may from time to time be sold for such one or more of the currencies in which the Indebtedness is denominated as DPRS or any Receiver considers necessary or desirable and the Chargor shall indemnify DPRS against the full cost (including all costs, charges and expenses) incurred in relation to such sale. Neither DPRS nor any Receiver shall have any liability to the Chargor in respect of any loss resulting from any fluctuation in exchange rates after any such sale.

17.2 Currency indemnity

No payment to DPRS (whether under any judgment or court order or otherwise) shall discharge the obligation or liability of the Chargor in respect of which it was made unless and until DPRS shall have received payment in full in the currency in which such obligation or liability was incurred. To the extent that the amount of any such payment shall on actual conversion into such currency fall short of such obligation or liability expressed in that currency DPRS shall have a further separate cause of action against the Chargor and shall be entitled to enforce the charges hereby created to recover the amount of the shortfall.

18 MISCELLANEOUS

18.1 Remedies cumulative

No failure or delay on the part of DPRS to exercise any power, right or remedy shall operate or be construed as a waiver. Any single or any partial exercise or waiver of any power, right or remedy shall not preclude its further exercise or the exercise of any other power, right or remedy. The powers, rights and remedies provided by this Charge are cumulative and are not exclusive of any powers, rights and remedies provided by law.

18.2 Preservation of rights

DPRS may in, its absolute discretion, grant time or other indulgence or make any other arrangement, variation or release with any person not a party hereto or affecting or concerning any such person in respect of the Indebtedness or in respect of any Security

Right or any guarantee for the Indebtedness, without in any such case prejudicing, affecting or impairing the security hereby constituted, or any of the rights, powers or remedies of DPRS or the exercise of the same, or the Indebtedness or other liability of the Chargor to DPRS.

18.3 Unfettered discretion

Any liability or power which may be exercised or any determination which may be made under this Charge by DPRS may be exercised or made in its absolute and unfettered discretion and it shall not be obliged to give any reasons.

18.4 Provisions severable

- (a) Each of the provisions of this Charge 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 Charge shall not in any way be affected or impaired thereby.
- (b) If any invalid or unenforceable clause (or part of a clause) would not be invalid or unenforceable if its drafting or effect were modified in any way, the Chargor agrees that DPRS can require such clause to be modified so as to be valid and enforceable.

18.5 Transfer of rights

- (a) The Chargor may not assign or otherwise transfer any of its rights or obligations under this Charge.
- (b) DPRS may at any time sell, assign, novate, securitise or otherwise transfer all or any part of its rights or obligations under this Charge (a "**Transfer**") to any person at any time (a "**Transferee**"). The Chargor consents to the disclosure by DPRS of any information and documentation concerning the Chargor to any prospective Transferee.
- (c) If there is a Transfer by DPRS the Chargor will be bound to the Transferee and the rights and obligations of the Chargor under this Charge will remain the same. The Transferee will have the same powers, rights, benefits and obligations of DPRS to the extent they are sold, assigned, novated or otherwise transferred to the Transferee and DPRS will be released from its obligations to the Chargor to the extent that those obligations are assumed by the Transferee.

The Chargor will enter into all documents necessary to give effect to any such Transfer.

- (d) Any appointment or removal of a Receiver under clause 9 and any consents under this Charge may be made or given in writing signed or sealed by any Transferees of DPRS and accordingly the Chargor hereby irrevocably appoints each Transferee of DPRS to be its attorney in the terms and for the purposes set out in clause 14.

18.6 Reorganisation of DPRS

This Charge shall remain binding on the Chargor notwithstanding any change in the constitution of DPRS 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. The security granted by this Charge shall remain valid and effective in all respects in favour of any Transferee of DPRS in the same manner as if such Transferee had been named in this Charge as a party instead of, or in addition to, DPRS.

18.7 Consolidation

Section 93 of the Law of Property Act 1925 shall not apply to the security created by this Charge or to any security given to DPRS pursuant to this Charge.

19 NOTICES

19.1 Notices by Chargor

Any notice, certificate or other correspondence required to be sent or given by the Chargor to DPRS shall be addressed to DPRS and sent by first class post to the address specified below or to such other address or for the attention of such other person or department as may from time to time be notified by DPRS to the Chargor for this purpose.

DPRS FINANCE LIMITED

St Georges Lodge,
33 Oldfield Road,
Bath BA2 3NE
Attention: Karen Phillips

19.2 Notices by DPRS

Any notice, correspondence or demand for payment by DPRS under this Charge 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 any one of its Directors or on its Secretary or delivered or sent by post to the Chargor at its registered office or any of its principal places of business for the time being or any other address from time to time notified by the Chargor to DPRS.

19.3 Time of service

Any such notice, correspondence or demand shall be deemed to have been served (if delivered personally) when delivered personally (if sent by post) at 9.00am on the second day (not being a Saturday, Sunday or public holiday) following the day of posting (notwithstanding that it be undelivered or returned undelivered). In proving the giving of a notice such method of service shall be conclusive evidence.

19.4 Notices conclusive

Any such notice or demand or any certificate as to the amount at any time secured by this Charge shall be conclusive and binding upon the Chargor if signed by an officer of DPRS.

20 INTERPRETATION

20.1 Successors and assigns

The expressions "DPRS" and "Chargor" include, where the context admits, their respective successors and, in the case of DPRS, its Transferees whether immediate or derivative and any person with whom DPRS may amalgamate and shall include all DPRS's branches from time to time.

20.2 Construction of certain terms

In this Charge, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) reference to (or to any specified provision of) this Charge, the Loan Agreement or any other document shall be construed as references to this Charge or Loan Agreement, that provision or that document as in force for the time being and as amended in accordance with its terms or, as the case may be, with the

agreement of the relevant parties and (where the consent of DPRS is, by the terms of this Charge or the relevant document, required to be obtained as a condition to such amendment being permitted) the prior written consent of DPRS;

- (c) references to a person shall be construed as including references to an individual, firm, company, body corporate, corporation, unincorporated body of persons, Authority, building society or partnership (whether or not having separate legal personality) or any combination of the foregoing;
- (d) references to statutory provisions shall be construed as references to those provisions as replaced, amended or re-enacted from time to time and any order, instrument, regulation or bye-law made or issued thereunder; and
- (e) where the expression "Chargor" includes more than one person the expression shall include each and all of such persons as the context may permit, and each such person shall be jointly and severally liable under this Charge.

20.3 Effect as a deed

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

20.4 No restriction on interpretation

In construing this Charge the interpretation of general words shall not be restricted by being preceded by words indicating a particular class of acts, matters or things or by being followed by particular examples.

21 LAW

21.1 English law

This Charge shall be governed by and shall be construed in accordance with English law.

21.2 Jurisdiction

The Chargor hereby irrevocably submits to the jurisdiction of the English Courts. The submission to such jurisdiction shall not (and shall not be construed so as to) limit the right of DPRS to take proceedings against the Chargor in any other court of competent

jurisdiction outside England, nor shall the taking of proceedings in any jurisdiction preclude the taking of proceedings in any other jurisdiction whether concurrently or not.

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

Schedule

Property – including Title No. (if any)

All the Property and known as 10A Parnell Road Clevedon BS21 6DB and adjoining land all of which is registered at the Land Registry under the two title numbers ST186437 and ST187927

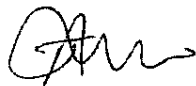
This Charge is an important legal document. DPRS recommends that you seek the advice of your solicitor or other legal adviser before signing this Charge.

Executed as a Deed

by the Chargor acting by one

Director (James Kilmartin)

In the presence of



ASHLEY WHITE

11 Alexandra Road, Clevedon, BS21 7QH
Solicitor

SIGNED for and on behalf

)

of DPRS FINANCE LIMITED

)