

MR01

Particulars of a charge

045264/26



A fee is payable with this form
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online
Please go to www.companieshouse.gov.uk

☒ **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 where there is no
instrument Use form MR0

For further information, please
refer to our guidance at
www.companieshouse.gov.uk

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 accomp.
by a court order extending the time for delivery

☒ You **must** enclose a certified copy of the instrument with this form. It
must be scanned and placed on the public record



A27 11/01/2014 #45
COMPANIES HOUSE

1 Company details

Company number 06267409

Company name in full Aardvark Homes Limited

For official use

Filling 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 09/01/2014

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 Business Lending Residential Funding 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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4

Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

Continuation page

Please use a continuation page if you need to enter more details

Description

The freehold property known as Land on the south side of Hospital Hill, Hythe, Kent and more particularly comprised within title numbers K808756 TT19410 and TT1406 at the Land Registry

5

Fixed charge or fixed security

Does the instrument include a fixed 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

6

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

7

Negative Pledge

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

☒ Yes

☐ No

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8

Trustee statement

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)

9

Signature

Please sign the form here

Signature

Signature

X

Kellison SLP

X

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

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Particulars of a charge

Presenter information

We will send the certificate to the address entered below. All details given here will be available on the public record. You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address.

Contact name
Peter Elliston

Company name
Ellistons SLP

Address
51/53 The Broadway

Stanmore

Middx

Post town

County/Region

Postcode
H A 7 4 D J

Country

DX
DX 146880 Stanmore 3

Telephone
020 8420 7950

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 £13 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.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

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



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 6267409

Charge code: 0626 7409 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 9th January 2014 and created by AARDVARK HOMES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 11th January 2014.

Given at Companies House, Cardiff on 16th January 2014



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Date

9th January

2014

Aardvark Homes Limited

as Chargor

Business Lending Residential Funding Limited

as Chargee

Legal Charge

relating to the freehold property known as Site opposite 1 Alexandra Corniche Hythe
Kent CT21 5RW

WE HEREBY CERTIFY THIS TO
BE A TRUE AND ACCURATE
COPY OF THE ORIGINAL

SIGNED



THIS LEGAL CHARGE is made the 9th day of January 2014

BETWEEN:

- (1) **AARDVARK HOMES LIMITED** (Company Number 06267409) whose registered office is at 6 West Cliff Gardens Folkestone Kent CT20 1SP (the "**Chargor**"), and
- (2) **BUSINESS LENDING RESIDENTIAL FUNDING LIMITED** a company registered in England and Wales with registration number 08278232 and whose registered office is at Ground Floor, 30 City Road, London EC1Y 2AB (the "**Lender**")

IT IS AGREED

1 Definitions and Interpretation

1.1 In this Deed

"**Act**" means the Law of Property Act 1925,

"**Adverse Property Effect**" means, in the reasonable opinion of the Lender, a material and adverse effect on (a) the value or marketability of the Property, (b) the ability of the Chargor to use the Property for the purposes for which it is currently used, or (c) the validity or enforceability of, or the effectiveness or ranking of the Security created or purported to be created by this Deed in relation to the Property or the rights or remedies of the Lender under this Deed,

"**Charged Assets**" means the Property and all other assets of the Chargor for the time being the subject of any security created by this Deed,

"**Conditions**" means the Lender's Standard Lending Conditions 2012 a copy of which is attached to the Offer and otherwise referred to in the Offer,

"**Credit Agreement**" means the Offer and the Conditions together,

"**Development**" means the construction on the Property of 9 residential flats together with ancillary roads and services,

"**Event of Default**" means any event or circumstance specified as such in Condition 10 of the Lender's Standard Lending Conditions 2012 (a copy of which is attached to the Offer),

"**Offer**" means the letter dated 3 December 2013 addressed by the Lender to the Borrower in respect of the offer of a loan in the amount of £699,352 (or thereabouts) in respect of the Property and which has attached or otherwise refers to the Conditions (as such letter may be amended and/or replaced from time to time),

"**Permit**" is defined in Clause 6.12,

"**Permitted Security**" means any security created in favour of the Lender,

"**Property**" means the property specified in Schedule 1,

"**Receiver**" means a receiver or receiver and manager appointed by the Lender under this Deed,

"**Rent Account**" means a designated account with the Lender into which all Rental Income is to be paid under Clause 3.2,

"Rental Income" means all rents licence fees and other moneys receivable now or after the date of this Deed by the Chargor under or arising out of any lease or licence of the Property or otherwise derived by the Chargor from or in respect of the Property, and including service charges and insurance rents,

"Secured Obligations" means all present and future obligations and liabilities of the Chargor to the Lender whether actual or contingent and whether owed or incurred alone or jointly and/or severally with another and as principal or as surety or in any other capacity or of any nature,

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

1 2 Unless the context otherwise requires, any reference in this Deed to

- (a) a Clause or Schedule is a reference to a clause of or schedule to this Deed,
- (b) the **"Charged Assets"**, the **"Property"**, or the **"Secured Obligations"** includes a reference to any part of them or it,
- (c) this **"Deed"** or any other agreement or document is a reference to the same as it may have been, or may from time to time be, amended, varied, supplemented or novated,
- (d) freehold leasehold or other immovable property includes all buildings, erections, fixtures and fittings on that property and the proceeds of sale of that property,
- (e) a **"lease"** includes a lease, underlease, tenancy agreement and agreement for lease,
- (f) a party to this Deed includes it successors and assigns,
- (g) a **"person"** includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having a separate legal personality) or two or more of the foregoing,
- (h) any provision of law includes that provision as amended, re-enacted or replaced and includes any subordinate legislation, and
- (i) words in the singular include the plural and vice versa and words in one gender include any other gender

1 3 Headings in this Deed are for ease of reference only

1 4 Words and expressions defined in the Credit Agreement shall have the same meanings in this Deed unless the context otherwise requires

1 5 If there is any conflict or inconsistency between the terms of this Deed and the Credit Agreement the terms of the Credit Agreement shall prevail

2 **Covenant to Pay**

The Chargor shall pay to the Lender or discharge all the Secured Obligations when due to the Lender

3. Security

3 1 The Chargor with full title guarantee and as a continuing security for the payment or discharge of the Secured Obligations

- (a) charges the Property to the Lender by way of legal mortgage, and
- (b) if the Chargor is not an individual, charges to the Lender by way of fixed charge all plant and machinery now or at any time on or in the Property and owned by the Chargor and its interest in any other plant and machinery in its possession, and
- (c) charges all present and future goodwill of any business carried on by the Chargor at the Property to the Lender by way of first fixed charge, and
- (d) assigns absolutely to the Lender subject to any assignment in favour of the Senior Lender pursuant to the Senior Lender Security
 - (i) the Rental Income and the benefit of all rights and claims of the Chargor now or at any time against tenants or occupiers of the Property or their guarantors,
 - (ii) the benefit of all rights and claims of the Chargor now or at any time against managing agents, professional advisors, suppliers or contractors in relation to the Property,
 - (iii) the benefit of all Permits now or at any time held by the Chargor in connection with any business carried on at the Property,
 - (iv) the benefit of all guarantees, insurances or compensation monies now or at any time relating to any of the Charged Assets, and
 - (v) the benefit of any agreements or arrangements now or at any time entered into with any person for the purpose of or in connection with the fixing, capping or hedging of the rate of interest payable by the Chargor in respect of any borrowing from or indebtedness to the Lender and any right or option to enter into any such agreement or arrangement, and
 - (vi) all monies now or at any time standing to the credit of the Rent Account, and
 - (vii) any share or membership rights in a residents' association or management company relating to the Property, and
 - (viii) any other benefits or rights of any kind now or at any time relating to the Property, its use, construction or title, and
 - (ix) the Building Contract

3 2 The Chargor shall procure that all Rental Income (if any) is paid directly to the Rent Account and, immediately on demand by the Lender at any time, shall give written notice to its tenants and other occupiers of the Property to pay all Rental Income directly to the Rent Account. Upon such demand but subject always to its obligations under the Senior Lender Security, the Chargor shall hold any Rental Income received by it upon trust for the Lender until payment to the Lender

4 Representations and Warranties

4.1 The Chargor represents and warrants to the Lender that

- (a) it is a limited liability company duly established and validly existing under the laws of England and Wales and has power to carry on its business as it is now being conducted and to own property and other assets,
- (b) the execution, delivery and performance of this Deed is within its corporate powers, has been duly authorised and does not conflict with (i) any law or regulation applicable to it or (ii) its Memorandum and Articles of Association or other constitutive documents or (iii) any agreement or instrument binding on it,
- (c) the obligations and liabilities expressed to be assumed by it under this Deed are legal, valid, binding and enforceable obligations of the Chargor,
- (d) it (i) is the sole legal and beneficial owner of the Property, and (ii) has a good and marketable title to the Property, in each case free from any Security Interest (other than the Permitted Security),
- (e) this Deed creates the Security Interests it purports to create and is not liable to be avoided or otherwise set aside on the winding-up, administration or insolvency of the Chargor or otherwise,
- (f) there is no breach of any law or regulation which materially and adversely affects the value of the Charged Assets,
- (g) there are no covenants, agreements, reservations, conditions, interests, rights or other matters of any nature which materially and adversely affect the Charged Assets,
- (h) no facility necessary for the use and enjoyment of the Property is subject to terms entitling any person to terminate or curtail its use,
- (i) it has obtained all requisite environmental licences applicable to it and has at all times complied in all material respects with the terms of those environmental licences and all other applicable environmental law,
- (j) save as disclosed to the Lender prior to the date of this Deed, no dangerous, hazardous, toxic waste or substance, or substance capable of damaging the environment has been used, disposed of, generated, stored, transported, dumped, deposited, buried or emitted at, on, from or under the Property in circumstances where this results in a liability on the Chargor,
- (k) nothing has arisen or has been created or is subsisting which is or would be an overriding interest or an unregistered interest which overrides first registration or a registered disposition over the Property under the Land Registration Acts 1925 to 2002,
- (l) for the purposes of The Council of the European Union Regulation No 1346/2000 on Insolvency Proceedings (the "**Regulation**"), the Chargor's centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in England and Wales, and
- (m) all the Charged Assets of a repairable nature are in good and substantial repairs

- 4 2 The representations and warranties set out in Clause 4 1 are made on the date of this Deed and are deemed to be repeated by the Chargor on each date that the Secured Obligations remain outstanding with reference to the facts and circumstances then existing

5. Restrictions on Dealing and Negative Pledge

The Chargor shall not without the prior written consent of the Lender

- (a) create or permit to subsist any Security Interest on or over any Charged Asset [other than the Permitted Security],
- (b) sell, assign, convey, transfer or otherwise dispose of any Charged Asset or permit or enter into any agreement for any of the same to occur,
- (c) grant or agree to grant or accept the surrender of any lease of any Charged Asset, or
- (d) part with or share possession or occupation of the Property or grant any licence to occupy the Property or agree to do any such thing

6 Undertakings

- 6 1 The Chargor shall keep the Property and all other Charged Assets which are of an insurable nature insured

- (a) to the Lender's reasonable satisfaction with reputable insurance companies or underwriters against all risks for which it is normal to insure such assets (or as the Lender may reasonably require) to their full reinstatement cost from time to time (together with Value Added Tax and all architects and other professional fees) and three years' loss of rent,
- (b) if the Lender requires in the joint names of the Chargor and the Lender, or with the Lender's interest noted on the policy [and in either case with the Lender named as loss payee], and
- (c) on terms including a standard mortgagee protection clause and providing that the policy shall not be invalidated so far as the Lender is concerned or cancelled without the insurers first giving to the Lender not less than 14 days written notice

- 6 2 The Chargor shall

- (a) promptly pay all premiums and do all other things necessary to keep all such insurance policies in force and if required by the Lender deliver to the Lender the policies of such insurances and evidence satisfactory to the Lender of the payment of premiums, and
- (b) apply any insurance proceeds in making good the loss or damage or at the Lender's option in or towards the discharge of the Secured Obligations

- 6 3 The Chargor shall put and keep

- (a) all buildings, installations and structures on the Property in good and substantial repair and condition and adequately and properly painted and decorated, and
- (b) all fixtures, fittings, plant, machinery, implements and other effects which are in or upon the Property in a good state of repair and condition,

in each case replacing, rebuilding and renewing the same when necessary

- 6 4 The Chargor shall not without the prior written consent of the Lender
- (a) demolish, pull down or remove any building, installation, structure or fixture on the Property or permit the same to occur, or
 - (b) erect any building, installation or structure on the Property or make any material alteration to or change of use of the Property, or permit any of the same to occur,
- if, in any case, such action would have an Adverse Property Effect
- 6 5 The Chargor shall pay all rents and outgoings and perform all covenants, agreements and obligations in respect of the Property
- 6 6 The Chargor shall comply in all respects with the provisions of all statutes and subordinate legislation (including, but not limited to, those relating to planning and environmental matters) which apply to the Property or any other Charged Asset or to any business for the time being carried on at the Property
- 6 7 When the Property is subject to any lease or occupational licence the Chargor shall
- (a) enforce the due performance and observance of all obligations of all other parties to any such lease or licence, and
 - (b) not waive, release or vary any of the terms of any such lease or licence, or grant any consent under the provisions or in respect of any such lease or licence, or accept the surrender of or exercise any power or commence any proceedings to forfeit or otherwise to determine any such lease or licence, or re-enter the relevant premises or agree to do any such thing, in each case without the prior written consent of the Lender,
- 6 8 The Chargor shall not without the prior written consent of the Lender elect to waive exemption from VAT in relation to the Property
- 6 9 If requested by the Lender, the Chargor shall promptly give notice to any person who is a party to a document or proceeding involving the Chargor the benefit of which is assigned or charged to the Lender under this Deed of the Lender's interest in the relevant Charged Asset and shall use its reasonable endeavours to procure that such person acknowledges receipt of such notice
- 6 10 The Chargor shall deposit with the Lender all deeds and documents of title relating to the Property and all insurance policies relating to the Charged Assets
- 6 11 The Chargor shall promptly supply to the Lender copies of any requirement or notice served or given by any competent authority relating to the Property and if requested by the Lender, join with the Lender in agreeing or objecting to anything proposed in relation to the Property
- 6 12 Where the Property at any time is or includes premises in respect of which an authorisation, permit, registration certificate or licence of any kind (a "**Permit**") is in force, whether under the Licensing Act 2003 or any other legislation, the Chargor shall take all necessary steps to ensure the renewal or continuation of any Permit and not do or allow to happen anything which might adversely affect any such Permit
- 6 13 The Lender may remedy any breach of any provision of this Clause 6 in any manner it may decide and may enter the Property with its advisers, contractors, equipment and materials to

remedy such breach. The Lender shall not by doing so become a mortgagee in possession. The Lender may recover from the Chargor on demand all reasonable expenses incurred and money spent in doing so, which shall form part of the Secured Obligations and shall carry interest at the rate specified in Clause 12.3.

- 6.14 The Lender may enter the Property with its advisers, contractors, equipment and materials at reasonable times during the day to inspect and survey the Property and any plant and machinery on the Property and carry out any environmental survey in respect of the Property. The Lender shall not by doing so become a mortgagee in possession. The Lender may recover from the Chargor on demand all reasonable expenses incurred and money spent in doing so, which shall form part of the Secured Obligations and shall carry interest at the rate specified in Clause 12.3.

7. When Security Becomes Enforceable

The power of sale and other powers conferred by section 101 of the Act (as varied or extended by this Deed) shall arise on the execution of this Deed by the Chargor and shall be immediately exercisable and the security constituted by this Deed shall become immediately enforceable upon and at any time after the making of a demand for payment of all or part of the Secured Obligations following the occurrence of any Event of Default. After the security constituted by this Deed has become enforceable, the Lender may in its absolute discretion enforce all or any part of the security in any manner it sees fit.

8. Enforcement of Security

- 8.1 The Lender is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees, except that section 103 of the Act does not apply. In addition, to the fullest extent permitted by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law upon a Receiver of the Charged Assets may after the security created by this Deed becomes enforceable be exercised by the Lender without first appointing a Receiver or notwithstanding the appointment of a Receiver.
- 8.2 The consideration for any sale or other disposal of the Charged Assets by the Lender or any Receiver in the exercise of their respective powers may (in addition to that permitted under the Act on a sale by the Lender) consist of cash, shares, or other valuable consideration, may fluctuate according to or dependent upon profit or turnover or be determined by a third party, and may be payable in a lump sum or in instalments (with or without security).
- 8.3 The statutory powers of leasing conferred on the Lender are extended so as to authorise the Lender to lease, make agreements for leases, and accept surrenders of leases as the Lender may think fit and without the need to comply with any provision of Sections 99 or 100 of the Act, and may be exercised by the Lender at any time after the security constituted by this Deed has become enforceable.
- 8.4 Neither the Lender nor any Receiver shall be liable, by reason of entering into possession of the Charged Assets, to account as mortgagee in possession. If the Lender or any Receiver shall take possession of the Charged Assets it or he may at any time go out of possession.
- 8.5 No person dealing with the Lender or a Receiver will be concerned to enquire whether the Secured Obligations have become payable, or any power which the Lender or the Receiver is purporting to exercise has become exercisable, or any money remains due to the Lender, or how any money paid to the Lender or to the Receiver is to be applied.
- 8.6 At any time after the security constituted by this Deed has become enforceable, the Lender may redeem any prior Security Interest against any Charged Asset, and/or procure the transfer of that

Security Interest to itself and/or settle and pass the accounts of the prior mortgagee, chargee or encumbrancer. Any accounts so settled and passed shall be conclusive and binding on the Chargor. All principal moneys, interest, costs, charges and expenses of and incidental to any such redemption and/or transfer shall be paid by the Chargor to the Lender on demand and form part of the Secured Obligations.

- 8 7 Neither the Lender nor its agents, managers, officers, employees, delegates and advisers nor any Receiver shall be liable to any claim, liability, loss, damage or cost incurred or arising in connection with the exercise or purported exercise of any right, power or discretion under this Deed in the absence of gross negligence or wilful misconduct.
- 8 8 For the purposes of all powers implied by statute or arising by law, the Secured Obligations are deemed to have become due on the date of this Deed.
- 8 9 Section 103 and section 93 of the Act do not apply to the security constituted by this Deed.
- 8 10 The power to appoint a Receiver pursuant to Clause 9 1 is in addition to the power to appoint a Receiver under section 101(1)(iii) of the Act. Section 109(1) of the Act does not apply to this Deed.
- 8 11 The Lender or any Receiver may at any time after the security constituted by this deed has become enforceable remove or dispose of any chattels on the Property as agent for the Chargor and, without prejudice to an obligation by the Lender and any Receiver to account for the net proceeds of any sale of the chattels, the Chargor shall indemnify the Lender and any Receiver against any liability arising from such disposal.

9. Receiver

- 9 1 At any time after the security constituted by this Deed becomes enforceable, or if the Chargor so requests the Lender in writing at any time, the Lender may without further notice appoint by deed or in writing under its hand any one or more persons to be a Receiver of all or any part of the Charged Assets.
- 9 2 If a Receiver is appointed of part of the Charged Assets the Lender may subsequently extend the appointment to all or any other part of the Charged Assets or appoint another Receiver of any other part of the Charged Assets.
- 9 3 The Lender may by writing under its hand remove any Receiver appointed by it, and whenever it deems it expedient, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.
- 9 4 The Lender may fix the remuneration of any Receiver appointed by it.
- 9 5 If at any time any two or more persons appointed by the Lender hold office as Receivers of the same assets or income, each of them may (unless otherwise stated in the instrument(s) appointing them) exercise all powers and discretions conferred on Receivers by this Deed individually and to the exclusion of the other or others of them.
- 9 6 Each Receiver is deemed to be the agent of the Chargor. The Chargor alone is responsible for his remuneration and for the contracts, engagements, acts, omissions, defaults and losses of and for liabilities incurred by any Receiver.

10 Powers of Receiver

- 10 1 Every Receiver has (subject to any limitations or restrictions expressed in the instrument appointing him) all the rights powers and discretions conferred by the Act on receivers appointed under the Act and conferred on receivers or administrative receivers by the Insolvency Act 1986, or otherwise conferred by any law
- 10 2 In addition, and without limiting Clause 10 1, every Receiver shall (notwithstanding any winding-up, administration or dissolution of the Chargor) have power to
- (a) take possession of, collect and get in the Charged Assets, including (but not limited to) all rents and other income,
 - (b) comply with and perform all of the undertakings and covenants of the Chargor contained in this Deed,
 - (c) repair, decorate, maintain, furnish, alter or improve the Charged Assets,
 - (d) commence and/or complete any building operations or development on the Property and apply for and obtain any planning permissions, building regulation approvals and any other permissions, consents or licences, and may appoint and enter into contracts with building and engineering contractors or other contractors or professional advisors, in each such case as he may think fit,
 - (e) borrow money either unsecured or on the security of the Charged Assets (either in priority to the security constituted by this Deed or otherwise) and generally on such terms as he may think fit,
 - (f) provide such facilities and services for tenants and other occupiers and generally manage the Charged Assets in such a manner as he may think fit,
 - (g) if the Property is leasehold, vary the terms of or surrender the lease and/or take a new lease of the Property on such terms as he may think fit Any such new lease shall automatically be charged to the Lender on the terms of this Deed so far as applicable, but a Receiver shall if requested by the Lender execute a formal legal charge over such new lease in favour of the Lender in such form as the Lender may require,
 - (h) sell, exchange, or otherwise convert into money or realise or dispose of the Charged Assets either by public auction or private contract or in any other manner, and generally in such manner and on such terms and conditions and for such consideration as he may think fit Fixtures and fittings may be severed and sold separately from the Property,
 - (i) let the Property for any term and at any rent, with or without a premium, and otherwise on such terms and conditions as he may think fit,
 - (j) vary, terminate, renew, or accept surrenders of any lease or licence of or rights over the Property, with or without a premium to or by any tenant or other person, and generally in such manner and on such terms as he may think fit,
 - (k) grant any consent or licence, serve any notice, and initiate and/or agree any rent review, in relation to any lease of the Property,

- (l) carry any sale, letting or other disposal into effect by transferring, letting or otherwise making such disposal in the name of the Chargor on and behalf of the Chargor and for that purpose may execute any deed, receipt or other document,
- (m) bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to the Charged Assets as he may think fit,
- (n) enter into, perform, repudiate, rescind, rectify or vary contracts, covenants, commitments, guarantees and similar matters in relation to the Charged Assets,
- (o) settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands relating in any way to the Charged Assets or to any lease of the Property or to any covenant, condition or restriction affecting to the Property,
- (p) make any arrangement or compromise, allow time for payment or enter into, abandon, cancel or disregard any contracts or rights as he may think expedient,
- (q) effect such insurances of or in connection with the Charged Assets as he thinks fit,
- (r) engage or employ or dismiss managers, officers, contractors, agents, servants, workmen and others for any of the purposes referred to in this Clause 10 upon such terms as he may think fit,
- (s) do all other acts and things which he may consider to be necessary or desirable for realising any Charged Asset or incidental or conducive to any of the rights, powers and discretions conferred on a Receiver by this Deed, and
- (t) exercise in relation to the Charged Assets all powers, authorities and things which he could exercise if he were the absolute beneficial owner of the Charged Assets

11 Application of Proceeds

Subject to claims having priority to the security constituted by this Deed any moneys received by the Lender or any Receiver under this Deed or otherwise by reason of the security constituted by this Deed shall be applied in the following order of priority (but without prejudice to the right of the Lender to recover any shortfall from the Chargor)

- (a) in satisfaction of or provision for all costs and expenses incurred by the Lender or any Receiver and of all remuneration due to any Receiver,
- (b) in or towards payment of the Secured Obligations or such part of them as is then due and payable to the Lender, and
- (c) in payment of the surplus (if any) to the Chargor or other person entitled to it

12. Expenses

- 12.1 All costs, fees, taxes and expenses incurred by the Lender or any Receiver (including all amounts from time to time required by the Lender to compensate it for its internal management time) under or in connection with this Deed or its enforcement and/or the preservation of the Lender's rights under the Deed shall be reimbursed by the Chargor to the Lender on demand on a full indemnity basis and shall form part of the Secured Obligations

- 12 2 The Chargor shall indemnify the Lender and any Receiver against all liabilities, claims and expenses (including, but not limited to, any liability of the Lender or any Receiver in respect of any environmental matter) in connection with this Deed or for anything done or omitted to be done in the exercise or purported exercise of their powers pursuant to this Deed
- 12 3 All monies costs and expenses payable by the Chargor under Clauses 6 2 or 6 3 or under this Clause 12 shall form part of the Secured Obligations and if unpaid shall bear interest (both before and after judgment) from the date paid or incurred by the Lender or any Receiver until the date of payment or discharge by the Chargor at a rate equal to any default rate specified in any loan or facility or other agreement between the Chargor and the Lender (or if no such rate is specified at a rate four per cent per annum above the base rate of Barclays Bank PLC)
- 12 4 The Chargor shall pay on demand all stamp, documentary, registration and other similar duties and taxes payable in connection with the entry into, performance or enforcement of this Deed and shall indemnify the Lender against any liabilities resulting from any delay or failure by the Chargor in making such payment
- 12 5 Where this Deed requires the Chargor to re-imburse the Lender for any costs or expenses the Chargor shall at the same time pay and indemnify the Lender against all Value Added Tax (or any tax of a similar nature) incurred by the Lender in respect of the costs and expenses to the extent that the Lender determines that it is not entitled to credit or repayment of the Value Added Tax (or any tax of a similar nature)

13 Further Assurances

The Chargor shall, at its own expense, take whatever action the Lender or a Receiver may require for perfecting or protecting the security intended to be created by this Deed or for facilitating or effecting the realisation of any Charged Asset or the exercise of any right, power or discretion exercisable by the Lender or any Receiver in respect of any Charged Asset, including, but not limited to, the execution and delivery of any transfer, conveyance, assignment or assurance of any asset, the giving of any notice, order or direction and the making of any registration, which in any such case, the Lender or such Receiver may think expedient

14 Power of Attorney

The Chargor, by way of security, irrevocably and severally appoints the Lender, each Receiver and any person nominated by the Lender, to be its attorney in its name and on its behalf to take any action which the Chargor is or may be obliged to take under or pursuant to this Deed or otherwise which the Lender or any Receiver in its or his discretion considers to be requisite or appropriate in order to carry any sale, lease or other disposal into effect, or to convey or transfer any legal estate or other interest in land or property, or generally to enable the Lender or a Receiver to exercise the respective powers conferred on them by or pursuant to this Deed or by law The Chargor ratifies and confirms whatever such attorney should properly do

15 Miscellaneous

- 15 1 The security constituted by this Deed is continuing and extends to the ultimate balance of all the Secured Obligations, regardless of any intermediate payment or discharge in whole or in part
- 15 2 This Deed is in addition to and is not in any way prejudiced by any other Security Interest now or subsequently held by the Lender for any of the Secured Obligations
- 15 3 If the Lender receives, or is deemed to be affected by, notice of any subsequent Security Interest or other interest affecting any Charged Asset the Lender may open a new account for the

Chargor If the Lender does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice As from that time all payments made to the Lender will be credited or be treated as having been credited to the new account and will not operate to reduce any amount for which this Deed is security

- 15 4 All payments made by the Chargor to the Lender under this Deed shall be paid in full without set-off or counterclaim and without any deduction or withholding or payment for or on account of any present or future tax, levy, duty, impost or other charge or withholding of a similar nature If the Chargor is required by law to make any such deduction or withholding or payment the Chargor shall immediately pay to the Lender such additional amount as will result in the immediate receipt by the Lender of the full amount which would otherwise have been received had no such deduction or withholding or payment been made
- 15 5 The Lender may set off any matured obligation owed by the Chargor to the Lender against any obligation (whether or not matured) owed by the Lender to the Chargor regardless of the place of payment, or currency of either obligation If the obligations are in different currencies, the Lender may convert either obligation at a market rate of exchange for the purpose of the set-off in an amount estimated by it in good faith to be the amount of that obligation
- 15 6 No delay or omission of the Lender in exercising any right or remedy under this Deed shall impair or waive such right or remedy, nor shall any single or partial exercise of any right or remedy preclude its further exercise or the exercise of any other right or remedy The Lender's rights and remedies under this Deed are cumulative and not exclusive of any rights or remedies provided by law and may be waived only in writing and specifically
- 15 7 Any provision of this Deed which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Deed or affecting the validity or enforceability of such provision in any other jurisdiction
- 15 8 A certificate or determination by the Lender of the amount of the Secured Obligations outstanding at any time or of any other amount is, in the absence of manifest error, conclusive evidence for all purposes of this Deed as against the Chargor
- 15 9 Monies received, recovered or realised by the Lender under this Deed may in its discretion be held in an interest bearing suspense account until applied by the Lender in or towards the discharge of the Secured Obligations
- 15 10 The Chargor applies to the Chief Land Registrar for a restriction in the following terms to be entered on the Register of Title relating to the Property
- "No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [date] in favour of Business Lending Residential Funding Limited referred to in the charges register "
- 15 11 It is intended that this document take effect as a deed notwithstanding the fact that (if executed by the Lender) the Lender may only execute this document under hand
- 15 12 This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed

- 15 13 The terms of any agreement relating to the Secured Obligations and of any side letter between the parties to this Deed are incorporated in this Deed to the extent required to ensure that any purported disposition of or purported agreement to dispose of any freehold, leasehold or other immovable property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989
- 15 14 A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed
- 15 15 The Lender covenants with the Chargor to perform its obligations under the (including any obligations to make available further advances) The Chargor applies and agrees that the Lender may apply to the Chief Land Registrar (by submitting a form CH2 or otherwise) to enter the obligation to make further advances contained in this Clause on the register or registers of title relating to the Property
- 15 16 The Chargor certifies that this Deed does not contravene the Chargor's Memorandum and Articles of Association or other constitutive documents of the Chargor
- 15 17 The Lender may, at any time after this Deed has become enforceable, redeem or transfer to itself, or may procure the redemption or the transfer to itself of any prior security against the Charged Assets and may settle and pass the accounts of the prior charge (which shall be binding on the Chargor) all principal monies, interest, costs, charges and expenses of and incidental to such redemption or transfer shall be paid by the Chargor to the Lender on demand
- 15 18 This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed

16. Benefit of this Deed

- 16 1 This Deed shall bind and enure to the benefit of the Chargor and the Lender and their respective successors
- 16 2 The Lender may assign or transfer all or any part of its rights, and/or obligations under this Deed without the consent of the Chargor The Chargor shall enter into any documents specified by the Lender to be necessary to give effect to such assignment or transfer
- 16 3 The Chargor may not assign or transfer all or any part of its rights and/or obligations under this Deed

17. Notices

- 17 1 The Chargor's address and fax number for any notice, demand or other communication under or in connection with this Deed are

Address 6 West Cliff Gardens, Folkestone, Kent CT20 1SP

or any substitute address and fax number as the Chargor may notify to the Lender by not less than 5 days written notice Any such notice, demand or other communication shall also be effective if sent to the Chargor's registered office or the address of the Chargor last known to the Lender

- 17 2 Any such notice or demand may be given or made by letter delivered personally or by first class prepaid letter (airmail if overseas) or by fax and shall be effective in the case of a fax when

received in legible form or in the case of a letter, when it has been left at the relevant address or on the following day after being deposited in the post prepaid

18. Governing Law

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law

EXECUTED as a deed and delivered on the date stated at the beginning of this document

Schedule 1

The Property

The freehold property known as Land on the south side of Hospital Hill, Hythe, Kent and more particularly comprised within title numbers K808756 TT19410 and TT1406 at the Land Registry

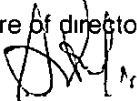
Signatories

The Chargor

EXECUTED as a **DEED** by **AARDVARK HOMES LIMITED**
acting by two directors



Signature of director



Signature of director

The Lender

EXECUTED as a **DEED** by **BUSINESS LENDING
RESIDENTIAL FUNDING LIMITED** acting by [a director and its
secretary][two directors]

Signature of director

Signature of [secretary][director]