



Registration of a Charge

Company name: **CHARLES ST LTD**

Company number: **07467774**



X5J8782R

Received for Electronic Filing: **07/11/2016**

Details of Charge

Date of creation: **03/11/2016**

Charge code: **0746 7774 0005**

Persons entitled: **ARTIS CONSTRUCTION LIMITED**

Brief description: **- FIRST LEGAL MORTGAGE OVER THE FREEHOLD PROPERTY LOCATED AT CHARLES STREET, BLACKBURN, BB2 4AX REGISTERED AT THE LAND REGISTRY WITH TITLE NO. LA890011 TOGETHER WITH ALL PRESENT AND FUTURE BUILDINGS FIXTURES ETC. (AS PARTICULARISED IN THE DEED); AND BY WAY OF FIRST FIXED CHARGE: - ALL ESTATES OR INTERESTS IN ANY FREEHOLD OR LEASEHOLD PROPERTY BELONGING TO THE COMPANY NOW OR AT ANY TIME AFTER THE DATE OF THE DEBENTURE (OTHER THAN ANY PROPERTY ALREADY SECURED BY WAY OF FIRST LEGAL MORTGAGE); - ALL PRESENT AND FUTURE INTERESTS OF THE COMPANY IN OR OVER LAND OR THE PROCEEDS OF SALE OF IT (SAVE FOR ANY BALANCING SUM, AS DEFINED IN THE DEED); - ALL PATENTS, PATENT APPLICATIONS, TRADEMARKS, TRADEMARK APPLICATIONS, TRADING NAMES, BRAND NAMES, SERVICE MARKS, COPYRIGHTS, RIGHTS IN THE NATURE OF COPYRIGHT, MORAL RIGHTS, INVENTIONS, DESIGN RIGHTS, REGISTERED DESIGNS, ALL TRADE SECRETS AND KNOW-HOW, COMPUTER RIGHTS, PROGRAMMES, SYSTEMS, TAPES, DISKS, SOFTWARE, ALL APPLICATIONS FOR REGISTRATION OF ANY OF THEM AND OTHER INTELLECTUAL PROPERTY RIGHTS HELD OR TO BE HELD BY THE COMPANY (PLEASE REFER TO DEED FOR FURTHER DETAILS).**

Contains fixed charge(s).

Contains floating charge(s) (floating charge covers all the property or undertaking of the company).

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION
IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **LAWRENCE STEPHENS**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7467774

Charge code: 0746 7774 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 3rd November 2016 and created by CHARLES ST LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 7th November 2016 .

Given at Companies House, Cardiff on 8th November 2016

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



Companies House



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

DATED 3 November 2016

CHARLES ST. LIMITED (1)

ARTIS CONSTRUCTION LIMITED (2)

MORTGAGE DEBENTURE

We hereby certify this to be a true copy
of the original

Lawrence Stephens
Lawrence Stephens Solicitors



LAWRENCE STEPHENS SOLICITORS

50 Farringdon Road, London, EC1M 3HE Telephone: 020 7936 8888 Facsimile: 020 7936 8880
DX 53318 Clerkenwell www.lawrencestephens.com

THIS DEBENTURE IS MADE ON THE 3rd DAY OF November 2016

BY

CHARLES ST. LIMITED, a limited liability company incorporated and registered in England with Company No. 07467774 whose registered office is at The Manse, 39 Manchester road, Altrincham, Cheshire WA14 4RQ (the "**Company**")

IN FAVOUR OF

ARTIS CONSTRUCTION LIMITED a limited liability company incorporated and registered in England with Company No. 09667866 whose registered office is at 50 Downend Road, Downend, Bristol BS16 5UE (the "**Secured Party**")

WHEREAS:

- (A) Pursuant to the JCT Contract (as hereinafter defined) the Secured Party has agreed to undertake development works at the Property (as hereinafter defined) in the manner and circumstances more particularly detailed in the JCT Contract.
- (B) In consideration of the performance by the Secured Party of the Development Works (as hereinafter defined) the Company is liable to pay to the Secured Party the Contract Sum (as hereinafter defined) in accordance with the provisions of the JCT Contract.
- (C) It is a condition of the Secured Party entering into the JCT Contract and undertaking the Development Works that the Company enters into this Debenture in order to secure the payment by the Company to the Secured Party of the Contract Sum.

This Deed witnesses as follows:-

1 DEFINITIONS

1.1 In the interpretation of this Debenture:

"**Assets**" means the whole of the property (including uncalled capital) which is or may be from time to time comprised in the property and undertaking of the Company;

"**Balancing Sum**" as defined in clause 10.4;

"**Business Day**" means a day other than a Saturday or Sunday on which banks are open for business in London;

"Certificate of Practical Completion" means the certificate to be provided by the Employer's Agent certifying in accordance with the JCT Contract that the Development has been completed in accordance with the terms of the JCT Contract;

"Contract Sum" means the total sum payable to the Secured Party by the Company under the JCT Contract;

"Council" means Blackburn with Darwen Borough Council at King William Street, Blackburn, BB1 7DY;

"Debenture" means the debenture constituted by this Deed;

"Deed of Assignment" means the deed of assignment to be entered into between (1) the Company, (2) the Secured Party and (3) the Sub-Contractor on the date of this Debenture confirming that, on the date of satisfaction of all of the Secured Liabilities (i) the benefit, subject to the burden, of the JCT Contract will be assigned in full by the Secured Party to the Sub-Contractor, and (ii) the benefit, subject to the burden, of the JCT Sub-Contract will be assigned in full by the Secured Party to the Company;

"Default Rate" means the rate of interest payable in accordance with the terms of the JCT Contract in relation to any amount that is not paid on the due date therefor;

"Developed Properties" means the residential dwellings located on the Property immediately following the Practical Completion Date and any reference to **"Developed Property"** shall mean any of the Developed Properties;

"Development" means, in accordance with the terms of the Planning Permission, the proposed development of the balance of the Property into a residential housing estate comprising a further 14 two or three bedroom dwellings;

"Development Works" means the works to carry out the Development as more particularly detailed in the JCT Contract;

"Employer's Agent" means the employer's agent appointed by the Company in consultation with the Secured Party and in accordance with the terms of the JCT Contract;

"Group" means the Company, each of its Subsidiaries, any Holding Company of the Company, any Holding Company of that Holding Company and all Subsidiaries of those Holding Companies and "Group Company" is construed accordingly;

"Interim Application" means, in relation to each Interim Payment, the Secured Party's application to the Company in accordance with the provisions of clause 4.8 of the JCT Contract;

"Interim Payment" means any of the payments to which clause 4.7 of the JCT Contract refers;

"JCT Contract" means the JCT Design & Build Contract 2011 edition (as amended) for the conduct of the Development dated with the same date as this Debenture and entered into between the Company as employer and the Secured Party as Main Contractor with the Sub-Contractor as the Secured Party's recommended design sub-contractor in respect of the Development Works;

"JCT Sub-Contract" means the contract entered into between the Secured Party as main contractor and the Sub-Contractor as recommended design sub-contractor for the conduct of the Development Works by the Sub-Contractor;

"Net Sale Proceeds" means the gross proceeds received by the Company upon the sale of any of the Developed Properties less the aggregate of the Permitted Deductions;

"Outstanding Interim Applications" as defined in clause 10.3;

"Permitted Deductions" as defined in clause 10.2;

"Planning Obligation" means a statutory obligation that is necessary for or assists in the carrying out of the Development including an obligation under s106 of the Town and Country Planning Act 1990, section 38 or 278 of the Highways Act 1980 or section 104 of the Water Industry Act 1991;

"Planning Permission" means the planning permission dated 2 April 2012 from the Council under reference number 10/11/0068 as varied from time to time or any further planning permission obtained by the Company as a replacement or substitution for it in order to conduct the Development;

"Practical Completion Date" means the date on which the Certificate of Practical Completion is provided by the Employer's Agent;

"Property" means the freehold property located at Charles Street, Blackburn BB2 4AX and which is registered at the Land Registry with title absolute under title number LA890011;

"Receiver" means an administrative receiver, receiver and manager or other receiver appointed pursuant to this Debenture in respect of the Company or over all or any of the Assets charged by this Debenture;

"S106 Payment" means those sums payable by the Company to the Council upon the completion of the sale of the Developed Properties and made pursuant to the terms of the S106 Agreement;

"S106 Agreement" means the agreement made pursuant to section 106 of the Town and Country Planning Act 1990 (as amended) and entered into between the Council and the Company on 23 November 2011, as varied by a deed of variation of planning obligation by agreement entered into between the Council and the Company on 21 November 2013;

"Secured Liabilities" means all present and future monies and liabilities (whether of principal or interest together with all costs (including those specified in clause 11)) which may now or at any time in the future be due owing or incurred by the Company to the Secured Party pursuant to the JCT Contract (including, without limitation, the Contract Sum) and/or pursuant to this Debenture;

"Secured Party's Solicitors" means Lawrence Stephens Solicitors of 50 Farringdon Road, London EC1M 3HE;

"Sub-Contractor" means GT Shopfitting (UK) Limited (company number 04657822) whose registered office is at c/o Lloyd Piggott, Wellington House, 39/41 Piccadilly, Manchester M1 1LQ;

"Subsidiary" and **"Holding Company"** shall have the meanings given to them in Section 736 of the Companies Act 1985 (including any Subsidiary acquired after the date of this Debenture) and **"Subsidiaries"** shall mean all or any of them, as appropriate.

1.2 References to:

- 1.2.1 statutes, statutory provisions and other legislation shall include all amendments, substitutions, modifications and re-enactments for the time being in force and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant legislation;
- 1.2.2 "control" of any company shall be interpreted in accordance with Section 840 of the Income and Corporation Taxes Act 1988;
- 1.2.3 "including" shall not be construed as limiting the generality of the words preceding it;
- 1.2.4 any term or phrase defined in the Companies Act 2006 (as amended from time to time) shall bear the same meaning in this Debenture;
- 1.2.5 words importing the singular shall include the plural and vice versa and words denoting any gender shall include all genders;
- 1.2.6 this Debenture and to any provisions of it or to any other document referred to in this Debenture shall be construed as references to it in force for the time being as amended, varied, supplemented, restated, substituted or novated from time to time;
- 1.2.7 any person are to be construed to include references to a corporation, firm, company, partnership, joint venture, unincorporated body of persons, individual or any state or agency of a state, whether or not a separate legal entity;
- 1.2.8 clause headings are for ease of reference only and are not to affect the interpretation of this Debenture.

2 COVENANT TO PAY

- 2.1 The Company, as primary obligor and not merely as surety, covenants to the Secured Party that it will pay or discharge the Secured Liabilities when the same are due and payable in accordance with the terms of the JCT Contract.
- 2.2 If the Company shall fail to pay any amount under this Debenture when it is due then such amount shall bear interest (after as well as before judgement and payable on demand) at the Default Rate from time to time from the due date until the date such amount is paid in full to the Secured Party, provided always that, in order to avoid

double-counting, such interest shall not be charged under this Debenture to the extent that interest at the Default Rate is being applied on the same sum under the terms of the JCT Contract.

3 CHARGING PROVISIONS

3.1 The Company with full title guarantee hereby charges to the Secured Party as a continuing security for the payment or discharge of the Secured Liabilities:-

3.1.1 by way of first legal mortgage the Property together with all present and future buildings, fixtures (including trade and tenant's fixtures), plant and machinery which are at any time on the Property and are owned by the Company;

3.1.2 by way of fixed charge:-

- (a) all estates or interests in any freehold or leasehold property belonging to the Company now or at any time after the date of this Debenture (other than any property charged in terms of clause 3.1.1 above) together with all buildings, fixtures (including trade and tenant's fixtures), plant and machinery which are at any time on the property and are owned by the Company;
- (b) all present and future interests of the Company in or over land or the proceeds of sale of it (save for any Balancing Sum);
- (c) all present and future licences of the Company to enter upon or use land and the benefit of all other agreements relating to land to which it is or may become party or otherwise entitled and all fixtures (including trade and tenant's fixtures) which are at any time on the property charged under this Debenture;
- (d) all present and future plant and machinery not otherwise charged under this clause 3.1 and all other present and future chattels of the Company (excluding any of the same for the time being forming part of the Company's stock in trade or work in progress);
- (e) all rights and interests in and claims under all policies of insurance and assurance held or to be held by or insuring to the benefit of the Company and the benefit of all rights and claims to which the Company is now or may be entitled under any contracts;

- (f) all patents, patent applications, trademarks, trademark applications, trading names, brand names, service marks, copyrights, rights in the nature of copyright, moral rights, inventions, design rights, registered designs, all trade secrets and know-how, computer rights, programmes, systems, tapes, disks, software, all applications for registration of any of them and other intellectual property rights held or to be held by the Company or in which it may have an interest and the benefit of all present and future agreements relating to the use of or licensing or exploitation of any such rights (owned by the Company or others) and all present and future fees, royalties or similar income derived from or incidental to any of the foregoing in any part of the world;
- (g) all the Company's goodwill and uncalled capital for the time being;
- (h) all present and future book and other debts and monetary claims of the Company whether payable now or in the future and the benefit of all present and future rights and claims of the Company against third parties relating to them and capable of being satisfied by the payment of money (save as charged under sub-clause 3.1.2(e));
- (i) all present and future bank accounts, cash at bank and credit balances of the Company with any bank or other person whatsoever and all rights relating or attaching to them (including the right to interest) but in all cases excluding the Balancing Sum;

3.1.3 by way of floating charge all the Assets not effectively otherwise mortgaged, charged or assigned by this clause 3.

3.2 The Company with full title guarantee hereby assigns in favour of the Secured Party (subject to the right of the Company to redeem such assignment upon payment or discharge in full of the Secured Liabilities), insofar as they are capable of being assigned by way of security, all the right, title and interest of the Company in and to any agreement to which the Company is a party except to the extent that it is subject to any fixed charge created under any other provision of this Debenture.

3.3 To the extent that any such right, title and interest as is referred to in clause 3.2 is not assignable or capable of assignment, the assignment thereof purported to be effected by such clause shall operate as an assignment of any and all compensation,

damages, income, profit or rent which the Company may derive therefrom or be awarded or entitled to in respect thereof, in each case as a continuing security for the payment or discharge in full of the Secured Liabilities.

3.4 The Secured Party may at any time, by notice to the Company, immediately convert the floating charge created under sub-clause 3.1.3 into a fixed charge over any Assets specified in that notice and the floating charge will, without notice from the Secured Party, automatically be converted with immediate effect into a fixed charge:-

3.4.1 in respect of any Assets which become subject to a fixed charge in favour of any other person;

3.4.2 in respect of all the Assets charged under sub-clause 3.1.3 if and when the Company ceases to carry on business or to be a going concern; and

3.4.3 in respect of all the Assets on the making of an order for the compulsory winding-up of the Company, on the convening of a meeting for the passing of a resolution for the voluntary winding-up of the Company or the taking of any steps (including, without limitation, the making of an application or the giving of any notice) by the Company or any other person for the appointment of an administrator in respect of the Company.

3.5 Sub-clause 3.4 will not apply to any Assets situated in Scotland if, and to the extent that, a Receiver would not be capable of exercising his powers in Scotland pursuant to Section 72 of the Insolvency Act 1986 by reason of such automatic conversion.

3.6 The Company will not without the previous written consent of the Secured Party (such consent not to be unreasonably withheld or delayed):-

3.6.1 create or attempt to create or permit to subsist any mortgage, charge, lien (other than a lien arising in the ordinary course of business by operation of law) or encumbrance on all or any of its Assets; or

3.6.2 sell, transfer, assign, factor, lease or otherwise dispose of or part with possession in any way of all or any of its Assets (other than any Assets the subject of a floating charge (but not any fixed charge or mortgage) on arm's length terms in the ordinary course of trading); or

3.6.3 in any way dispose of the equity of redemption of any such Asset or any interest in any such Asset.

- 3.7 The Company applies to the Chief Land Registrar for a restriction to be entered on the Register of Title of all present and future registered freehold and leasehold property of the Company in the following terms:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [date] in favour of Artis Construction Limited referred to in the Charges Register or their conveyancer"

- 3.8 The Company (at its own cost) will execute such other deeds, documents, agreements and instruments and will otherwise do and concur in all such other acts or things as the Secured Party (acting reasonably) may deem necessary for perfecting, preserving or protecting the security created (or intended to be created) by this Debenture or for facilitating the realisation of the Assets or the exercise of any rights of the Secured Party hereunder.

- 3.9 The Company shall get in and realise the Company's book and other debts and other monies, in the ordinary course of its business and hold the proceeds of the getting in and realisation upon trust for the Secured Party save for any Balancing Sum.

- 3.10 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 (incorporated by Schedule 16 to the Enterprise Act 2002) shall apply to any floating charge created pursuant to this Debenture.

- 3.11 On the date of this Debenture the Chargor and the Secured Party shall, and shall procure that the Sub-Contractor shall, execute the Deed of Assignment.

4 CONTINUING SECURITY

This security will be a continuing security for the Secured Liabilities notwithstanding any intermediate payment or settlement of all or any part of the Secured Liabilities or other matter or thing whatsoever and will be without prejudice and in addition to any other right, remedy or security of whatever sort which the Secured Party may hold at any time for the Secured Liabilities or any other obligation whatsoever and will not be affected by any release, reassignment or discharge of such other right remedy or security.

5 UNDERTAKINGS

- 5.1 The Company will:-

- 5.1.1 at all times comply with the terms of this Debenture and of all agreements relating to the Secured Liabilities including, without limitation, the JCT Contract;
- 5.1.2 at all times comply with, and pay when due those sums payable under the terms of, the Planning Obligations including under the S106 Agreement;
- 5.1.3 subject to the carrying out of the Development Works, keep the Assets in good and substantial repair and in good working order and condition, ordinary wear and tear excepted;
- 5.1.4 preserve and maintain all intellectual property rights owned or used by the Company (including, without limitation, those referred to in clause 3.1.2(f));
- 5.1.5 comply in all material respects with the terms of all applicable laws and regulations including (without limitation) all environmental laws, legislation relating to public health, town & country planning, control and handling of hazardous substances or waste, fire precautions and health and safety at work;
- 5.1.6 promptly notify the Secured Party of the acquisition by the Company of any estate or interest in any freehold, heritable or leasehold property;
- 5.1.7 save as otherwise provided for in the JCT Contract, ensure that all of the Assets that are insurable are insured with reputable insurance companies or underwriters to such extent and against such risks as is normal for prudent companies in businesses similar to those of the Company (or as otherwise requested in writing by the Secured Party from time to time) and (without limitation to the generality of the foregoing):-
 - (a) pay all premiums and other monies due and payable under all such insurances and provide premium receipts or any other evidence of payment promptly upon request to do so by the Secured Party;
 - (b) ensure that the interest of the Secured Party is noted on the policies in respect of such insurances or, at the request of the Secured Party, that such policies contain such other provisions for the protection of the Secured Party as the Secured Party may from time to time require;

- 5.1.8 promptly pay or cause to be paid and indemnify the Secured Party and any Receiver or administrator against all present and future rent, rates, taxes, duties, charges, assessments, impositions and outgoings whatsoever now or at any time in the future payable in respect of the Property or any other of its properties (or any part thereof) or by the owner or occupier thereof;
- 5.1.9 not, save in respect of the Development Works, make any structural or material alteration to or to the user of the Property or any other of its properties or do or permit to be done anything which is a "development" within the meaning of the Town and Country Planning Acts from time to time (or any orders or regulations under such Acts) or do or permit to be done any act, matter or thing where to do so would have a material and adverse effect on the value of the Property or any other of its properties or on the marketability of the Property or any other of its properties;
- 5.1.10 not, save in connection with the Development Works or the Development generally, grant any lease of, part with possession or share occupation of, the whole or any part of the Property or any other of its properties or confer any licence, right or interest to occupy or grant any licence or permission to assign, under-let or part with possession of the same in any way which is likely to have a material and adverse effect upon the value of the Property or any other of its properties;
- 5.1.11 not, save in connection with the Development Works or the Development generally, vary, surrender, cancel or dispose of, or permit to be forfeit, any leasehold interest in the Property or any other of its properties;
- 5.1.12 observe and perform all covenants, agreements and stipulations from time to time affecting its interest in the Property or any other of its properties or contained in any lease, agreement for lease or tenancy agreement under which any part of the Property or any other of its properties may be held;
- 5.1.13 notify the Secured Party immediately in the event of any creditor executing diligence against the Company or any distress or execution is levied or enforced against the Company or any third party debt order or freezing order is made and served on the Company;
- 5.1.14 notify the Secured Party immediately if any steps (including, without limitation, the making of any application or the giving of any notice) are taken by any

person (including, without limitation, the Company) in relation to the administration, receivership, winding-up or dissolution of the Company;

5.1.15 not to allow any person other than itself to be registered under the Land Registration Act 1925 or the Land Registration Act 2002 (as appropriate) as proprietor of the Property or any other of its properties (or any part thereof) or create or permit to arise any overriding interest (as specified in Section 70(1) of the Land Registration Act 1925) or (as specified in Schedule 1 or Schedule 3 to the Land Registration Act 2002) (as appropriate) affecting the Property or any other of its properties;

5.1.16 not do or cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value or marketability of any of its Assets.

6 SECURITY PROTECTIONS

- 6.1 If, subject to the carrying out of the Development Works, the Company fails to keep any of the Assets in good and substantial repair and in good working order and condition or does not take out and maintain such insurances as set out above or prove to the Secured Party that the premiums and other moneys have been paid then the Secured Party may (as it thinks fit) repair and keep in repair the Assets or any of them (and for that purpose it or any of its agents may enter upon the properties of the Company) or take out or renew any such insurance in any sum and on terms as the Secured Party may think fit.
- 6.2 The Secured Party will be entitled to be paid the proceeds of any policy of insurance of the Company (other than in respect of employers' or public liability) and the Company will promptly irrevocably instruct any insurer of a policy to pay the proceeds of it to the Secured Party and undertakes to the Secured Party to repeat that instruction if the Secured Party requires.
- 6.3 All moneys received on any insurance policy of the Company (unless paid to the Secured Party in terms of sub-clause 6.2) will, as the Secured Party requires, be applied either in making good the loss or damage in respect of which the money is received or in or towards discharge of the Secured Liabilities.
- 6.4 No statutory or other power of granting or agreeing to grant or of accepting or agreeing to accept surrenders of leases or tenancies of the whole or any part of the

Property or any other of the properties charged under this Debenture will be capable of being exercised by the Company without the previous written consent of the Secured Party.

6.5 Save in connection with the Development, the Company shall not be entitled to part with possession (otherwise than on the determination of any lease, tenancy or licence) of the Property or any other of its properties hereby charged, or to share the occupation thereof with any other person or persons, or to surrender or purport to surrender or permit to be forfeited the lease of any leasehold property hereby charged without the prior written consent of the Secured Party.

6.6 The obligations of the Company under this Debenture will not be affected by any act, omission, circumstance, matter or thing which but for this provision might operate to release or otherwise exonerate it from any of its obligations hereunder in whole or in part, including (without limitation):-

6.6.1 any variation, extension, discharge, compromise, dealing with, exchange or renewal of any right or remedy which the Secured Party may have now or in the future from or against the Company or any other person in respect of the Secured Liabilities;

6.6.2 any act or omission by the Secured Party or any other person in taking up, perfecting or enforcing any security or guarantee from or against the Company or any other person or the invalidity or unenforceability of any such security or guarantee;

6.6.3 any amendment, variation, restatement or supplement of or to, or novation, transfer or termination (in whole or in part) of, any document relating to the Secured Liabilities or any exercise by the Secured Party (in its absolute discretion) of its rights to refuse, grant, continue, vary, review, determine or increase any credit or facilities to the Company;

6.6.4 any grant of time, indulgence, waiver or concession to the Company or any other person;

6.6.5 any arrangement or compromise entered into between the Secured Party and the Company or any other person;

6.6.6 the administration, insolvency, bankruptcy, liquidation, winding-up, dissolution, incapacity, limitation, disability, discharge by operation of law or

any change in the constitution, name and style of, the Company or any other person;

6.6.7 the invalidity, illegality, unenforceability, irregularity or frustration of the Secured Liabilities or any of the obligations of the Company;

6.6.8 any postponement, discharge, reduction, non-provability or other similar circumstance affecting any obligation of any other person resulting from any insolvency, liquidation or dissolution proceedings or from any law, regulation or order.

7 ENFORCEMENT

7.1 Whether by way of sales off-plan prior to the Practical Completion Date, or following the Practical Completion Date, the Company shall use its reasonable endeavours to sell the Developed Properties, each by way of a bona fide arm's length transaction at market value, with completion of the sale of the Developed Properties to occur as soon as reasonably practicable following the Practical Completion Date.

7.2 The security constituted by this Debenture shall become enforceable and the Secured Party may exercise all the powers conferred on mortgagees by the Law of Property Act 1925 (as varied or extended by this Debenture), all the powers conferred on the holder of a qualifying floating charge (as defined in the Insolvency Act 1986) by the Insolvency Act 1986 and all or any of the rights and powers conferred by this Debenture without further notice to the Company upon and at any time after the occurrence of any of the following events:

7.2.1 if the Company has failed to pay all of the Secured Liabilities within five months following the Practical Completion Date;

7.2.2 if the Company shall be in breach of any of the obligations binding on the Company under this Debenture and such breach (if capable of remedy) has not been remedied to the reasonable satisfaction of the Secured Party before the expiry of 14 days after notice calling upon the Company to do so has been given by the Secured Party;

7.2.3 any step is taken (including, without limitation, the making of an application or the giving of any notice) by the Company or by any other person to appoint an administrator in respect of the Company;

- 7.2.4 any step is taken (including, without limitation, the making of an application or the giving of any notice) by the Company or any other person to wind up or dissolve the Company or to appoint a liquidator, Secured Party, receiver, administrative receiver or similar officer to the Company or any part of its undertaking or assets; or
- 7.2.5 the making of a request by the Company for the appointment of a Receiver or administrator.
- 7.3 Section 103 of the Law of Property Act 1925 will not apply to this Debenture but the statutory power of sale will as between the Secured Party and a purchaser from the Secured Party arise on and be exercisable at any time after the execution of this Debenture provided that the Secured Party will not exercise the power of sale until the Secured Liabilities have become enforceable in accordance with clause 7.2 or a Receiver has been appointed but this proviso will not affect a purchaser or put him upon inquiry whether such demand or appointment has been validly made.
- 7.4 The statutory powers of sale, leasing and accepting surrenders exercisable by the Secured Party under this Debenture are extended so as to authorise the Secured Party whether in its own name or in that of the Company to grant a lease or leases of the whole or any part or parts of the freehold and leasehold property of the Company with whatever rights relating to other parts of it and containing whatever covenants on the part of the Company and generally on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) and whether or not at a premium as the Secured Party thinks fit.
- 7.5 Section 93 of the Law of Property Act 1925 (consolidation of mortgages) will not apply to this Debenture.

8 APPOINTMENT OF RECEIVER OR ADMINISTRATOR

- 8.1 At any time after the security constituted by this Debenture has become enforceable the Secured Party shall be and is entitled by instrument in writing to appoint any one or more persons as:-

8.1.1 a Receiver of all or any of the Assets; and/or

8.1.2 an administrator of the Company,

in each case in accordance with and to the extent permitted by applicable laws.

- 8.2 Where more than one Receiver or administrator is appointed they will have power to act separately (unless the appointment of the Secured Party specifies to the contrary).
- 8.3 Any appointment over part only of the Assets charged under this Debenture will not preclude the Secured Party from making any subsequent appointment of a Receiver or administrator over any part of the Assets over which an appointment has not previously been made by it.
- 8.4 The Secured Party may from time to time determine the remuneration of the Receiver and may (subject to Section 45 of the Insolvency Act 1986) remove the Receiver from all or any part of the Assets of which he is the Receiver and at any time after any Receiver has vacated office or ceased to act, appoint a further Receiver over all or any part of those Assets.
- 8.5 The Receiver and administrator will be the agent of the Company (which will be solely liable for his acts, defaults and remuneration) and will have and be entitled to exercise in relation to the Company all the powers set out in Schedule 1 to the Insolvency Act 1986 and all the powers conferred from time to time on Receivers by statute and in particular by way of addition to but without prejudice to those powers (and those of the Secured Party) the Receiver and administrator will have power:-
- 8.5.1 to sell, let or lease or concur in selling, letting or leasing and to vary the terms or determine, surrender or accept surrenders of leases or tenancies of or grant options and licences over all or any part of the Assets and so that any such sale may be made for cash payable by instalments or for shares or securities of another company and the Receiver may promote or concur in promoting a company to purchase the Assets to be sold;
 - 8.5.2 to sever any fixtures (including trade and tenant's fixtures) from the property of which they form part;
 - 8.5.3 to exercise all powers, rights and/or obligations under any contract or agreement forming part of the Assets, including, without limitation, all voting and other rights attaching to stocks, shares and other securities owned by the Company;
 - 8.5.4 to make and effect all repairs and improvements;

- 8.5.5 to redeem any prior encumbrance and to settle and pass the accounts of the encumbrancer and any accounts so settled and passed will (subject to any manifest error) be conclusive and binding on the Company and the moneys so paid will be deemed to be an expense properly incurred by the Receiver or administrator;
- 8.5.6 to promote the formation of a subsidiary or subsidiaries of the Company, including, without limitation, any such company formed for the purpose of purchasing, leasing, licensing or otherwise acquiring interests in all or any of the assets of the Company;
- 8.5.7 to make any arrangement or compromise which the Secured Party or the Receiver or the administrator may think fit;
- 8.5.8 to make and effect all repairs, renewals, improvements, and insurances;
- 8.5.9 to appoint managers officers and agents for any of the purposes referred to in this clause 8 at such salaries as the Receiver or administrator may determine;
- 8.5.10 to do all other acts and things as may be considered by the Receiver or administrator to be incidental or conducive to the above or otherwise incidental or conducive to the preservation, improvement or realisation of the Assets.
- 8.6 No purchaser or other person dealing with the Secured Party, any Receiver or administrator or any agent or delegate thereof shall be obliged or concerned to enquire whether the right of the Secured Party or any Receiver or administrator to exercise any of the powers conferred by or referred to in this Debenture has arisen or become exercisable, whether any of the Secured Liabilities remain outstanding or be concerned with notice to the contrary or whether an event has occurred to authorise the Secured Party or any Receiver or administrator to act or as to the propriety or validity of the exercise or purported exercise of any such power.

9 POWER OF ATTORNEY

The Company irrevocably and by way of security appoints the Secured Party (whether or not a Receiver or administrator has been appointed) and also (as a separate appointment) any Receiver or administrator severally as the attorney and attorneys of the Company, for the Company and in its name and on its behalf and as its act and deed or otherwise to execute and deliver and otherwise perfect any deed,

assurance, agreement, instrument or act which may be required of the Company under this Debenture or may be required or deemed proper in the exercise of any rights or powers conferred on the Secured Party or any Receiver or administrator hereunder or otherwise for any of the purposes of this Debenture.

10 APPLICATION OF SALE PROCEEDS

10.1 The following clauses 10.2 to 10.5 (inclusive) shall apply upon completion of the sale by the Company of any of the Developed Properties prior to the date this Charge becomes enforceable by the Secured Party.

10.2 Upon completion of the sale by the Company of any of the Developed Properties, the Company shall be permitted to make the following priority deductions from the gross proceeds of sale received by it (the "Permitted Deductions"):

10.2.1 the estate agent's fees and legal fees (including any VAT thereon) directly related to the sale of that Developed Property;

10.2.2 VAT and disbursements directly related to the sale of that Developed Property;

10.2.3 in respect of the sale of the first ^{thirteen} ~~five~~ of the Developed Properties, the sum of ^{£3,500} ~~£3,671~~, which shall be paid to the Council as a S106 Payment and in part-satisfaction of the Company's obligations under the S106 Agreement;

10.2.4 in respect of the sale of the ^{last} ~~sixth and all further~~ Developed Properties, the sum of ^{£16,000} ~~£10,000~~, of which:

(a) ^{final} ~~£3,571~~ shall be paid to the Council as a S106 Payment and in part-satisfaction of the Company's obligations under the S106 Agreement; and

10.2.5 From the sale of the ninth of the Developed Properties the sum of ^{£10,500} ~~£10,420~~ shall be retained by the Company as an advance payment in respect of the Company's share of the sale proceeds, but without prejudice to the liability of the Company to discharge the Contract Sum to the Secured Party in full

10.3 The Net Sale Proceeds remaining after the payment of the Permitted Deductions shall then be utilised by the Company to pay to the Secured Party any Interim Applications that remain unpaid (the "Outstanding Interim Applications").

- 10.4 The Net Sale Proceeds remaining after the payment of the Permitted Deductions and the Outstanding Interim Applications (if any) (the "**Balancing Sum**") shall then be retained by the Secured Party's Solicitors in their client account on the basis that Company shall authorise the Secured Party's Solicitors to utilise the Balancing Sum in priority to discharge any subsequent Interim Applications.
- 10.5 To the extent that there remains a Balancing Sum held by the Secured Party's Solicitors once all Interim Applications have been discharged in full such that the Contract Sum has been paid and no further payments are due or capable of becoming due to the Secured Party under the JCT Contract, then the Secured Party's Solicitors shall be authorised by the Secured Party to release the amount of the Balancing Sum then held by them to the Company.
- 10.6 Without prejudice to the provisions of clauses 10.1 to 10.5 (inclusive), any moneys received under the powers conferred by this Debenture will be paid or applied in the following order of priority:-
- 10.6.1 in or towards satisfaction of all costs, charges and expenses incurred, and payments made, by the Secured Party and/or the Receiver or administrator including the remuneration of the Receiver or administrator;
- 10.6.2 in or towards satisfaction of the Secured Liabilities;
- 10.6.3 as to the surplus (if any) to the person(s) entitled to it;
- provided that the Receiver or administrator may retain any moneys in his hands for so long as he thinks fit, and the Secured Party may, without prejudice to any other rights the Secured Party may have at any time and from time to time, place and keep for such time as the Secured Party may think prudent any moneys received, recovered or realised under or by virtue of this Debenture to or at a separate or suspense account to the credit either of the Company or of the Secured Party as the Secured Party thinks fit without any intermediate obligation on the part of the Secured Party to apply such moneys or any part of such moneys in or towards the discharge of the Secured Liabilities.
- 10.7 Subject to the preceding provisions of this clause 10, any moneys received or realised by the Secured Party from the Company or a Receiver under this Debenture or any administrator may be applied by the Secured Party to any item of account or liability or transaction in such order or manner as the Secured Party may determine.

- 10.8 In the event of any conflict between the terms of this Debenture and the terms of the JCT Contract regarding the application and allocation of the proceeds of sale following the sale of any of the Developed Properties, the terms of this Debenture shall prevail.

11 COSTS AND EXPENSES

The Company shall pay or reimburse to the Secured Party on demand (on a full indemnity basis) all costs, charges and expenses (including legal fees) incurred or to be incurred by the Secured Party in the registration, perfection, enforcement, release, redemption or discharge of this Debenture (including, without limitation, the costs of any proceedings in relation to this Debenture or the Secured Liabilities), which costs, charges and expenses shall form part of the Secured Liabilities.

12 SET-OFF

The Company agrees that the Secured Party may set off monies owing by the Secured Party or any Secured Party to the Company against any monies owing to it under this Debenture.

13 INVESTIGATIONS

If any event of default (howsoever described) in any agreement between the Secured Party and the Company occurs then (while it is continuing unwaived) the Secured Party shall be entitled to initiate an investigation of, and/or instruct any report (accounting, legal, valuation or other) on, the business and affairs of the Company and/or any other Group Company which the Secured Party considers necessary to ascertain the financial position of the Company, with all fees and expenses incurred by the Secured Party in so doing being payable by the Company.

14 NOTICES

- 14.1 Any communication to be made under or in connection with this Debenture shall be made in writing and, unless otherwise stated, may be made by letter.
- 14.2 The address of the Secured Party for any communication or document under or in connection with this Debenture is its registered office at the time such communication or document is made or delivered.

14.3 The address of the Company for any communication or document under or in connection with this Debenture is its registered office at the time such communication or document is made or delivered.

14.4 Any communication made or document made or delivered by one person to another under or in connection with this Debenture will only be effective when it has been delivered to the relevant address or three Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address.

15 MISCELLANEOUS

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

15.2 No failure or delay by the Secured Party in exercising any right or remedy under this Debenture shall operate as a waiver, and no single or partial exercise shall prevent further exercise, of any right or remedy.

15.3 The Secured Party will be entitled to disclose to any Secured Party or its advisors or any regulatory authority confidential information concerning this Debenture or any arrangement made in connection with this Debenture.

16 RELEASE

16.1 Subject to clause 16.2, if the Secured Party is satisfied that the Secured Liabilities have been unconditionally and irrevocably repaid or discharged in full, the Secured Party will at the request and cost of the Company to take whatever action is required in order to release the Assets from the security constituted by this Debenture.

16.2 Where the Company is seeking to complete a sale of a Developed Property, the Secured Party will, promptly upon request from the Company and subject to the Secured Party receiving any sums due to be paid to the Secured Party from the relevant sale in accordance with clause 10.2, provide the Company with the necessary Form DS3 (*release of part of the land from a registered charge*) and letter of non-crystallisation so as to enable the Developed Property to be sold free from the security created by this Debenture.

17 GOVERNING LAW

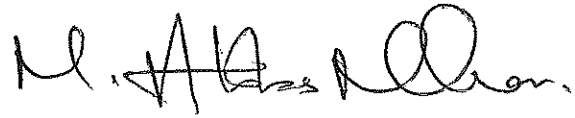
This Debenture will be governed by and construed according to English law.

18 ASSIGNMENT

This Debenture is personal to the parties and neither party shall assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with any of its rights and obligations under this Debenture.

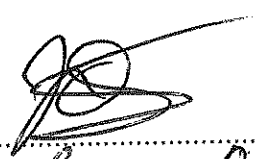
IN WITNESS whereof this Debenture has been executed by the Company and the Secured Party as a deed the day and year first written above.

EXECUTED as a DEED and DELIVERED)
by CHARLES ST. LIMITED acting by one)
director in the presence of:



M. ABBAS MHAR

DIRECTOR

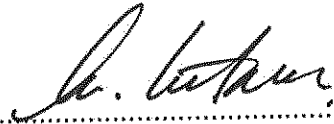
Witness Signature: 

Witness Name: Simon Bates


Witness Address: 14 Coen Mill Road

Biddulph ST8 6TX

EXECUTED as a DEED and DELIVERED)
by ARTIS CONSTRUCTION LIMITED)
acting by one director in the presence of:



DIRECTOR

Witness Signature: 

Witness Name: ANNE WRIGHT

Witness Address: 50 Pinner Road

London E21

Slater