

708836/23

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In accordance with
Sections 859A and
859J of the Companies
Act 2006.

MR01

Particulars of a charge



WEDNESDAY
12/02/2020
12:00
MC
MC
MC



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

A fee is be payable w
Please see 'How to pay'

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

☒ **What this form is NOT**
You may not use this for
register a charge where
instrument. Use form M1.

A22 12/02/2020 #140
COMPANIES HOUSE
A8YMS8PL
A05 03/02/2020 #169
COMPANIES HOUSE
A8Y2AHJ4
A13 27/01/2020 #85
COMPANIES HOUSE
A8XKDPK1
A14 20/01/2020 #88
COMPANIES HOUSE
A8X2GPYY

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

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

1 Company details

Company number 0 7 5 6 1 8 6 0 ✓

Company name in full ✓ Ballen Homes LTD ✓

9 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 ✓ 3 1 0 1 2 0 2 0 ✓

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 ✓ ✓ CL Number Twenty Nine 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.

MR01

Particulars of a charge

4	Brief description	
Brief description	Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument.	Please submit only a short description if there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument". Please limit the description to the available space.
5	Other charge or fixed security	
✓ ✓	Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
6	Floating charge	
✓ ✓ ✓	Is the instrument expressed to contain a floating charge? Please tick the appropriate box. <input type="checkbox"/> Yes Continue <input checked="" type="checkbox"/> No Go to Section 7 Is the floating charge expressed to cover all the property and undertaking of the company? <input type="checkbox"/> Yes	
7	Negative Pledge	
✓	Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
8	Trustee statement ¹	
✓	You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge. <input type="checkbox"/>	¹ This statement may be filed after the registration of the charge (use form MR06).
9	Signature	
Signature	Please sign the form here. Signature X  X This form must be signed by a person with an interest in the charge.	

MRO1

Particulars of a charge



Presenter information

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

Contact name **Lauren Lambourne**

Company name **Ashley Wilson Solicitors LLP**

Address **26 Ives Street**

Post town **London**

County/Region

Postcode **S W 3 2 N D**

Country **UK**

DX **38162 Knightsbridge**

Telephone



Certificate

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



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



How to pay

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

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



Where to send

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

For companies registered in England and Wales:

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

For companies registered in Scotland:

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

For companies registered in Northern Ireland:

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



Further information

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

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



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7561860

Charge code: 0756 1860 0009

The Registrar of Companies for England and Wales hereby certifies that a charge dated 31st January 2020 and created by **BALLEN HOMES LTD** was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 12th February 2020.

bx

Given at Companies House, Cardiff on 17th February 2020



Companies House



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

gunnercooke

Dated 31 January 2020

BALLEN HOMES LTD

and

CL NUMBER TWENTY NINE LIMITED

CERTIFIED A TRUE COPY
BY ASHLEY WILSON SOLICITORS LLP
26 IVES STREET
LONDON
SW3 2ND
DATE 31/01/2020

John Wright

Solicitor

Ashley Wilson Solicitors LLP

26 Ives Street, London SW3 2ND

31/01/2020

MEZZANINE LOAN AGREEMENT

1 Cornhill
London
EC3V 3ND

53 King Street
Manchester
M2 4LQ

Tel: 03330 143 401
www.gunnercooke.com

This agreement is entered into on 31 January 2020

PARTIES

- (1) **BALLEN HOMES LTD** incorporated and registered in England & Wales with company number 07561860 whose registered office 2 Mark Street, Reigate, England, RH2 0BL (the **Borrower**); and
- (2) **CL NUMBER TWENTY NINE LIMITED** incorporated and registered in England & Wales with company number 11575710 whose registered office is at Lance Levy Farmhouse, Wildmoor Lane, Hook, Hampshire, United Kingdom, RG27 0HB (the **Lender**).

BACKGROUND

- (A) The Lender has agreed to provide the Borrower with a Mezzanine Loan in accordance with the terms hereof.
- (B) The Borrower has agreed to provide security for the Mezzanine Loan by way of the Debenture. The Guarantor has also agreed to provide security for the Mezzanine Loan by way of the Deed of Guarantee.

AGREED TERMS

1. DEFINITIONS AND INTERPRETATION

1.1 DEFINITIONS

The following definitions apply in this Agreement.

Affiliate;	in relation to any person, a subsidiary of that person or a holding company of that person or any other subsidiary of that holding company.
Arrangement Fee;	the arrangement fee of £3,157.
Borrowed Money;	any indebtedness for or in respect of: <ol style="list-style-type: none">(a) borrowing or raising money, including any premium and any capitalised interest on that money;(b) any bond, note, loan stock, debenture, commercial paper or similar instrument;(c) any acceptance credit facility or dematerialised equivalent or bill-discounting, note purchase or documentary credit facilities;(d) monies raised by selling, assigning or discounting receivables or other financial assets on terms that recourse may be had to the Borrower in the event

of non-payment of such receivables or financial assets when due;

- (e) any deferred payments for assets or services acquired, other than trade credit that is given in the ordinary course of trade and which does not involve any deferred payment of any amount for more than 60 days;
- (f) any rental or hire charges under any Finance Leases (whether for land, machinery, equipment or otherwise);
- (g) any counter-indemnity obligation in respect of any guarantee, bond, standby letter of credit or other instrument issued by a third party in connection with the Borrower's performance of a contract;
- (h) any other transaction that has the commercial effect of borrowing (including any forward sale or purchase agreement and any liabilities which are not shown as borrowed money on the Borrower's balance sheet because they are contingent, conditional or otherwise);
- (i) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and when calculating the value of any derivative transaction, only the marked to market value shall be taken into account); and
- (j) any guarantee, counter-indemnity or other assurance against financial loss that the Borrower has given for any indebtedness of the type referred to in paragraphs (a) to (i) of this definition incurred by any person.

When calculating Borrowed Money, no liability shall be taken into account more than once.

Business Day;

a day other than a Saturday, Sunday or a public holiday in England when banks in London are open for business.

Change of Control;	<p>a situation where:</p> <p>(a) any person, or group of connected persons not having control (as defined in sections 450 and 451 of the Corporation Tax Act 2010) of the Borrower on the date of this Agreement acquires control of the Borrower; or</p> <p>(b) any shareholder of the Borrower who owns more than 50.1% of the issued ordinary share capital of the Borrower on the date of this Agreement transfers (whether by a single transfer or a series of transfers at different times) shares constituting, in aggregate, 50.1% or more in nominal value of the Borrower's issued ordinary share capital without the Lender's prior written consent.</p>
Debenture;	the debenture in the agreed form executed, or to be executed, by the Borrower.
Deed of Guarantee;	the deed of guarantee in the agreed form executed, or to be executed, by the Guarantor.
Default Interest;	has the meaning given in <i>clause 5.2.2</i> .
Drawdown Date;	on or around the date of this Agreement.
Early Repayment Date;	any date on or after the three month anniversary of the Drawdown Date.
Event of Default;	any event or circumstance listed in <i>clause 11.1</i> to <i>clause 11.11</i> .
First Security;	means the first legal mortgage on the Property registered in favour of Avamore Finance 1 Limited.
Final Repayment Date;	the sixteen month anniversary of the Drawdown Date.
Finance Document;	this Agreement, the Debenture, the Deed of Guarantee and any other document designated as such by the Lender and the Borrower.
Guarantor;	Mr. Bradley Allen who resides at 2 Mark Street, Surrey, RH2 0BL.
Indebtedness;	any obligation to pay or repay money, present or future, whether actual or contingent, sole

	or joint and any guarantee or indemnity of any of those obligations.
Interest;	has the meaning given in <i>clause 5.1</i> .
Legal Fee;	the legal fee of £2,640 (inclusive of VAT) to be deducted from the Loan on the Drawdown Date by the Lender and to be paid to its legal counsel.
Loan;	the aggregate loan amount of £112,157 to be made by the Lender to the Borrower under this Agreement, or the principal amount outstanding for the time being of that loan.
Material Adverse Effect;	<p>any event or circumstance which, in the opinion of the Lender:</p> <ul style="list-style-type: none"> (a) is likely to materially and adversely affect the Borrower's ability to perform or otherwise comply with all or any of its obligations under the Finance Documents; (b) is likely to materially and adversely affect the business, operations, property, condition (financial or otherwise) or prospects of the Borrower; or (c) is likely to result in any Finance Document not being legal, valid and binding on, and enforceable in accordance with its terms against, the Borrower and, in the case of the Debenture, not providing to the Lender security over the assets expressed to be subject to a security interest under the Debenture.
Mezzanine Loan;	the mezzanine loan to be made available by the Lender to the Borrower under this Agreement.
Potential Event of Default;	any event or circumstance specified in <i>clause 11.1</i> to <i>clause 11.11</i> which would, on the giving of notice, expiry of any grace period, making of any determination under the Finance Documents or satisfaction of any other condition (or any combination thereof), become an Event of Default.
Property;	10 Brighton Road, Coulsdon, Surrey, CR5 2AR.

Repayment Date;	the Final Repayment Date or an Early Repayment Date.
Security;	any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.
Sterling and £;	the lawful currency of the United Kingdom.
Unpaid Amount;	any sum or amount which is not paid on its due date by the Borrower under this Agreement or any other Finance Document.

1.2 INTERPRETATION

In this Agreement:

- 1.2.1 clause, Schedule and paragraph headings shall not affect the interpretation of this Agreement;
- 1.2.2 a reference to a **person** shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality);
- 1.2.3 a reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Companies Act 2006 and a company shall be treated, for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), as a member of another company even if its shares in that other company are registered in the name of (a) another person (or its nominee) by way of security or in connection with the taking of security, or (b) its nominee. In the case of a limited liability partnership which is a subsidiary of a company or another limited liability partnership, section 1159 of the Companies Act 2006 shall be amended so that: (a) references in sections 1159(1)(a) and (c) to voting rights are to the members' rights to vote on all or substantially all matters which are decided by a vote of the members of the limited liability partnership; and (b) the reference in section 1159(1)(b) to the right to appoint or remove a majority of its board of directors is to the right to appoint or remove members holding a majority of the voting rights;
- 1.2.4 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- 1.2.5 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;

- 1.2.6 a reference to a party shall include that party's successors, permitted assigns and permitted transferees and this Agreement shall be binding on, and enure to the benefit of, the parties to this Agreement and their respective, successors, permitted assigns and permitted transferees;
- 1.2.7 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- 1.2.8 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- 1.2.9 a reference to a time of day is to London time;
- 1.2.10 a reference to **writing** or **written** includes fax and email;
- 1.2.11 an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- 1.2.12 a reference to a **Finance Document** (or any provision of it) or to any other agreement or document referred to in any Finance Document is a reference to that Finance Document, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this Agreement) from time to time;
- 1.2.13 unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this Agreement and a reference to a paragraph is to a paragraph of the relevant Schedule;
- 1.2.14 any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- 1.2.15 a reference to **directly** or **indirectly** means (without limitation) either alone or jointly with any other person, whether on his own account or in partnership with another (or others) as the holder of any interest in or as officer, employee or agent of or consultant to any other person;
- 1.2.16 a reference to a document in **agreed form** is to that document in the form agreed by the Lender and the Borrower and initialled by or on their behalf for identification;
- 1.2.17 a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and **amended** shall be construed accordingly);
- 1.2.18 a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;

- 1.2.19 a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- 1.2.20 a reference to a **certified copy** of a document means a copy certified to be a true, complete and up-to-date copy of the original document, in writing and signed by a director or the secretary of the party delivering the document;
- 1.2.21 a reference to **continuing** in relation to an Event of Default means an Event of Default that has not been remedied or waived;
- 1.2.22 a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the discretion of the person making it;
- 1.2.23 a reference to a **disposal** of any asset, undertaking or business includes a sale, lease, licence, transfer, loan or other disposal by a person of that asset, undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions);
- 1.2.24 a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation; and
- 1.2.25 any accounting terms that are not specifically defined in this Agreement shall be construed in accordance with GAAP.

1.3 SCHEDULES

The Schedules form part of this Agreement and shall have effect as if set out in full in the body of this Agreement. Any reference to this Agreement includes the Schedules.

2. THE MEZZANINE LOAN

2.1 LOAN AMOUNT

The Lender grants to the Borrower a Loan in the amount of £112,157 on the terms, and subject to the conditions, of this Agreement.

2.2 ARRANGEMENT FEE

Prior to the date hereof, the Borrower has paid to the Lender £2,000 of the Arrangement Fee. The remaining £1,157 balance of the Arrangement Fee has been included in the Loan amount.

2.3 DRAWDOWN DATE

Subject to satisfaction of the Conditions Precedent in *clause 4*, the Lender shall advance the Loan to the Borrower on the Drawdown Date, but shall

retain from the Loan an amount equal to the £1,157 remaining balance of the Arrangement Fee referred to in *clause 2.2* and the Legal Fee. Accordingly, the net proceeds to be received by the Borrower on the Drawdown Date shall be £108,360.

3. PURPOSE

3.1 PURPOSE

The Borrower shall use all monies borrowed by it under this Agreement to fund the acquisition of the Property and the development of 1x1 bedroom, 2x2 bedroom and 1x3 bedroom apartments.

3.2 MONITORING

The Lender is not obliged to monitor or verify how any amount borrowed under this Agreement is used.

4. CONDITIONS PRECEDENT

4.1 INITIAL CONDITIONS PRECEDENT

The Lender shall not be obliged to advance the Loan on the Drawdown Date unless the Lender has received all the documents and evidence specified in *Schedule 1* in form and substance satisfactory to the Lender.

4.2 FURTHER CONDITIONS PRECEDENT

The Lender's obligation to make the Loan is subject to the further conditions precedent that, on the Drawdown Date:

4.2.1 the representations and warranties are true and correct and will be true and correct immediately after the Lender has made the proposed Loan; and

4.2.2 no Event of Default or Potential Event of Default is continuing or might result from the proposed Loan.

4.3 WAIVER

The conditions specified in this *clause 4* are inserted solely for the Lender's benefit. The Lender may waive them, in whole or in part and with or without conditions, without prejudicing the Lender's right to require subsequent fulfilment of such conditions.

5. INTEREST

5.1 CALCULATION AND PAYMENT OF INTEREST

Interest ("**Interest**") shall be payable on the Loan at the compound interest rate of 1.75% per calendar month and shall accrue on the Loan and be payable in-one lump sum on the Repayment Date in accordance with *clause 6*.

5.2 DEFAULT INTEREST

- 5.2.1 If the Borrower does not pay any amount it is obliged to pay under the Finance Documents when it is due, the Borrower shall pay interest on that Unpaid Amount from time to time outstanding for the period beginning on its due date and ending on the date the Lender receives it, both before and after judgment.
- 5.2.2 The rate of default interest ("**Default Interest**") applicable to the Unpaid Amount shall be at the compound interest rate of 5% per calendar month

6. FINAL REPAYMENT, EARLY REPAYMENT, ILLEGALITY AND CHANGE OF CONTROL

6.1 FINAL REPAYMENT DATE

The Borrower shall repay the Loan in full on the Final Repayment Date, together with all Interest accrued on the Loan under *clause 5.1*.

6.2 EARLY REPAYMENT DATE

Subject to giving the Lender no less than 7 days written notice, the Borrower shall be entitled to repay the Loan in full on an Early Repayment Date, together with all Interest accrued on the Loan under *clause 5.1*.

6.3 ILLEGALITY

- 6.3.1 The Lender may require the Borrower to prepay the Loans, if:
- 6.3.1.1 any law or regulation is introduced or changed, or there is any change in the way any court or regulatory authority interprets or applies any law or regulation which;
 - 6.3.1.2 complying with any direction, request or requirement (whether or not having the force of law) of any monetary agency, central bank, or governmental or regulatory authority; or
 - 6.3.1.3 any judgment, order or direction of any court, tribunal or authority binding on the Lender,
- makes it unlawful for the Lender to make the Loan, or allow the Loan to remain outstanding.
- 6.3.2 To require prepayment under *clause 6.3.1*, the Lender shall give notice to the Borrower demanding prepayment and giving the date for that prepayment which shall be no less than 14 days after the date of such Lender's notice. On the nominated prepayment date, the Borrower shall repay the Loan in full, together with all Interest accrued on the Loan in accordance with *clause 5.1*.

6.4 CHANGE OF CONTROL

- 6.4.1 The Borrower shall promptly notify the Lender if:

6.4.1.1 there is a Change of Control, or

6.4.1.2 the Borrower becomes aware of circumstances that may result in a Change of Control.

6.4.2 If the Borrower notifies the Lender under *clause 6.4.1*, the Lender may, by not less than 14 days' notice to the Borrower, declare the Loan, together with accrued Interest, and all other amounts accrued under the Finance Documents immediately due and payable, whereupon such amounts will become immediately due and payable.

7. PAYMENTS

7.1 CURRENCY OF ACCOUNT

7.1.1 Subject to satisfaction of all the applicable conditions in *clause 4*, the Lender shall pay the Loan (net of the Arrangement Fee) to the Borrower in Sterling in immediately available cleared funds on the Drawdown Date.

7.1.2 The currency of account shall be Sterling and all payments that the Borrower makes under this Agreement shall be made:

7.1.2.1 in full, without any deduction, set-off or counterclaim; and

7.1.2.2 in immediately available cleared funds on the due date to an account which the Lender may specify to the Borrower for the purpose.

7.2 BUSINESS DAYS

Any payment under any Finance Document which is due to be made on a day which is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one), or the immediately preceding Business Day (if there is not). Any interest or other amount accruing on a daily basis shall be calculated accordingly.

7.3 PARTIAL PAYMENTS

If the Lender receives a payment that is insufficient to discharge all the amounts then due and payable by the Borrower under the Finance Documents, the Lender shall apply that payment in settlement of the obligations of the Borrower in the order determined by the Lender in its absolute discretion. The provisions of this *clause 7.3* shall override any appropriation made by the Borrower.

8. COSTS AND EXPENSES

The Borrower shall, on demand, pay to the Lender the amount of all costs and expenses (including legal, printing and out-of-pocket expenses) incurred by the Lender in connection with enforcing, preserving any rights under, or monitoring the provisions of, any Finance Document.

9. REPRESENTATIONS AND WARRANTIES

The Borrower makes the representations and warranties in *clause 9.1 to clause 9.14* to the Lender on the date of this Agreement and on the Drawdown Date.

9.1 DUE INCORPORATION

The Borrower:

- 9.1.1 is a duly incorporated limited liability company validly existing under the law of its jurisdiction of incorporation; and
- 9.1.2 has the power to own its assets and carry on its business as it is being conducted.

9.2 POWERS

- 9.2.1 The Borrower has the power to enter into, deliver and perform, and has taken all necessary action to authorise its entry into, delivery and performance of, the Finance Documents and the transactions contemplated by them.
- 9.2.2 No limit on its powers will be exceeded as a result of the borrowing or grant of security contemplated by the Finance Documents.

9.3 NON-CONTRAVENTION

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents do not and will not contravene or conflict with:

- 9.3.1 the Borrower's constitutional documents;
- 9.3.2 any agreement or instrument binding on it or its assets or constitute a default or termination event (however described) under any such agreement or instrument; or
- 9.3.3 any law or regulation or judicial or official order, applicable to it.

9.4 AUTHORISATIONS

The Borrower has obtained all required or desirable authorisations to enable it to enter into, exercise its rights and comply with its obligations in the Finance Documents and to make them admissible in evidence in its jurisdiction of incorporation. Any such authorisations are in full force and effect.

9.5 BINDING OBLIGATIONS

- 9.5.1 The Borrower's obligations under the Finance Documents are legal, valid, binding and enforceable; and
- 9.5.2 the Debenture creates (or, once entered into, will create):

9.5.2.1 valid, legally binding and enforceable Security for the obligations expressed to be secured by it; and

9.5.2.2 subject to registration under the Companies Act 2006 and, in the case of real property, registration at the Land Registry, perfected Security over the assets expressed to be subject to security in it,

in favour of the Lender, having the priority and ranking expressed to be created by the Debenture and ranking ahead of all (if any) Security and rights of third parties except those preferred by law.

9.6 NO FILING OR STAMP TAXES

Under the law of its jurisdiction of incorporation, it is not necessary to file, record or enrol any Finance Document (other than as provided in *clause 9.5*) with any court or other authority in that jurisdiction or pay any stamp, registration or similar taxes in relation to any Finance Document or any transaction contemplated by any Finance Document.

9.7 DEDUCTION OF TAX

No deduction for, or on account of, Tax is required from any payment that the Borrower may make under any Finance Document.

9.8 NO DEFAULT

9.8.1 No Event of Default and, on the date of this Agreement, Potential Event of Default, is continuing or might reasonably be expected to result from the making the Loan.

9.8.2 No other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination thereof, would constitute) a default or termination event (howsoever described) under any other agreement or instrument which is binding on it or to which any of its assets is subject which has or is reasonably likely to have a Material Adverse Effect.

9.9 INFORMATION

The information, in written or electronic format, supplied by, or on behalf of, the Borrower to the Lender in connection with the Mezzanine Loan and the Finance Documents was, at the time it was supplied or at the date it was stated to be given (as the case may be):

9.9.1 if it was factual information, complete, true and accurate in all material respects;

9.9.2 if it was a financial projection or forecast, prepared on the basis of recent historical information and on the basis of reasonable assumptions and was arrived at after careful consideration;

9.9.3 if it was an opinion or intention, made after careful consideration and was fair and made on reasonable grounds; and

9.9.4 not misleading in any material respect, nor rendered misleading by a failure to disclose other information,

except to the extent that it was amended, superseded or updated by more recent information supplied by, or on behalf of, the Borrower to the Lender.

9.10 NO MATERIAL ADVERSE CHANGE

There has been no material adverse change in the business, assets, financial condition, trading position or prospects of the Borrower since the publication of its most recent financial statements.

9.11 NO LITIGATION

No litigation, arbitration or administrative proceedings are taking place, pending or, to the Borrower's knowledge, threatened against it, any of its directors or any of its assets.

9.12 NO BREACH OF LAW

The Borrower has not breached any law or regulation which breach has or is likely to have a Material Adverse Effect.

9.13 PARI PASSU

The Borrower's payment obligations under the Finance Documents rank at least pari passu with all existing and future unsecured and unsubordinated obligations (including contingent obligations), except for those mandatorily preferred by law applying to companies generally.

9.14 OWNERSHIP OF ASSETS

The Borrower is the sole legal and beneficial owner of, and has good, valid and marketable title to, all its assets, including the Property, and no Security exists over its assets, except for the First Security.

10. GENERAL COVENANTS

The Borrower covenants with the Lender as set out in *clause 10.2 to clause 10.13* and undertakes to comply with those covenants.

10.1 CONTINUING OBLIGATIONS

The covenants given by the Borrower in this *clause 10* shall remain in force from the date of this Agreement for so long as any amount remains outstanding under the Finance Documents.

10.2 NEGATIVE PLEDGE

10.2.1 The Borrower shall not:

10.2.1.1 create, or permit to subsist, any Security on or over any of its assets, including the Property except for the First Security; or

10.2.1.2 sell, transfer or otherwise dispose of any of its assets on terms whereby such asset is or may be leased to or re-acquired or acquired by it; or

10.2.1.3 sell, transfer or otherwise dispose of any of its receivables on recourse terms; or

10.2.1.4 enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or

10.2.1.5 enter into any other preferential arrangement having a similar effect.

10.2.2 *Clause 10.2.1* shall not apply to any Security created by the Debenture.

10.3 DISPOSALS

The Borrower shall not sell, assign, lease, transfer or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, its assets other than:

10.3.1 trading stock in the ordinary course of business;

10.3.2 assets exchanged for other assets comparable or superior as to type, value and quality; and

10.3.3 assets whose market value is worth less than £10,000 (or its equivalent in another currency or currencies) in any financial year.

10.4 BORROWINGS

The Borrower shall not incur or permit to subsist, any obligation for Borrowed Money other than under the Finance Documents.

10.5 NOTIFICATION OF DEFAULT

10.5.1 The Borrower shall notify the Lender of any Potential Event of Default or Event of Default (and the steps, if any, being taken to remedy it) promptly on becoming aware of its occurrence.

10.5.2 The Borrower shall, promptly on request by the Lender, supply a certificate signed by two of its director(s) or senior officers on its behalf certifying that no Event of Default is continuing (or, if an Event of Default is continuing, specifying the Event of Default and the steps, if any, being taken to remedy it).

10.6 RANKING OF OBLIGATIONS

The Borrower shall procure that any of its unsecured and unsubordinated obligations and liabilities under the Finance Documents rank, and will rank, at least pari passu in right and priority of payment with all its other unsecured and unsubordinated obligations and liabilities, present or future, actual or contingent, except for the First Security and those obligations and liabilities mandatorily preferred by law of general application to companies.

10.7 AUTHORISATIONS

The Borrower shall promptly obtain all consents and authorisations under any law or regulation (and do all that is needed to maintain them in full force and effect) to enable it to perform its obligations under the Finance Documents and to ensure the legality, validity, enforceability and admissibility in evidence of the Finance Documents in its jurisdiction of incorporation.

10.8 COMPLIANCE WITH LAW

The Borrower shall comply in all respects with all relevant laws to which it may be subject, if failure to do so would materially impair its ability to perform its obligations under the Finance Documents.

10.9 MERGER

The Borrower shall not enter into any amalgamation, demerger, merger or corporate reconstruction.

10.10 CHANGE OF BUSINESS

The Borrower shall not make any substantial change to the general nature or scope of its business as carried on at the date of this Agreement.

10.11 FURTHER INFORMATION

The Borrower shall supply to the Lender:

10.11.1 all documents dispatched by the Borrower to its shareholders (or any class of them), or its creditors generally, at the same time as they are dispatched;

10.11.2 details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against the Borrower or any of its directors as soon as it becomes aware of them, and which might, if adversely determined, have a Material Adverse Effect; and

10.11.3 promptly, any further information about the financial condition, business and operations of the Borrower that the Lender may reasonably request.

10.12 KNOW YOUR CUSTOMER

If the Lender is obliged for any reason to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, the Borrower shall, promptly on the request of the Lender, supply (or procure the supply of) such documentation and other evidence as is reasonably requested in order for the Lender to carry out, and be satisfied that it has complied with, all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

10.13 PERFECTION OF SECURITY

Immediately upon execution of this Agreement and the Debenture, the Borrower shall procure that its legal advisers (ALFA Solicitors of 90 Chester Road, Northwich, Cheshire CW8 1JH) shall register the Debenture under the Companies Act 2006 and, in the case of the Property, register the Lender's second charge at the Land Registry.

11. EVENTS OF DEFAULT

Each of the events or circumstances set out in *clause 11.1 to clause 11.11* is an Event of Default.

11.1 NON-PAYMENT

The Borrower fails to pay any sum payable by it under any Finance Document when due, unless its failure to pay is caused solely by an administrative error or technical problem and payment is made within three Business Days of its due date.

11.2 NON-COMPLIANCE

The Borrower fails (other than a failure to pay) to comply with any provision of the Finance Documents and (if the Lender considers, acting reasonably, that the default is capable of remedy) such default is not remedied within 14 days of the earlier of:

11.2.1 the Lender notifying the Borrower of the default and the remedy required; and

11.2.2 the Borrower becoming aware of the default.

11.3 MISREPRESENTATION

Any representation, warranty or statement made, repeated or deemed made by the Borrower in, or pursuant to, the Finance Documents is (or proves to have been) incomplete, untrue, incorrect or misleading in any material respect when made, repeated or deemed made.

11.4 CESSATION OF BUSINESS

The Borrower suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business.

11.5 CROSS-DEFAULT

11.5.1 Subject to *clause 11.5.2*:

11.5.1.1 any Borrowed Money is not paid when due nor within any originally applicable grace period;

11.5.1.2 any Borrowed Money becomes due, or capable of being declared due and payable, prior to its stated maturity by reason of an event of default (howsoever described);

11.5.1.3 any commitment for any Borrowed Money is cancelled or suspended by a creditor of the Borrower by reason of an event of default (howsoever described); or

11.5.1.4 any creditor of the Borrower becomes entitled to declare any Borrowed Money due and payable prior to its stated maturity by reason of an event of default (howsoever described).

11.5.2 An event or circumstance referred to in *clause 11.5.1* shall not constitute an Event of Default if the aggregate amount of Borrowed Money or commitment for Borrowed Money affected is less than £10,000 (or its equivalent in other currencies).

11.6 INSOLVENCY

11.6.1 The Borrower stops or suspends payment of any of its debts or is unable to, or admits its inability to, pay its debts as they fall due.

11.6.2 The Borrower commences negotiations, or enters into any composition, compromise, assignment or arrangement, with one or more of its creditors (excluding the Lender) with a view to rescheduling any of its Indebtedness (because of actual or anticipated financial difficulties).

11.6.3 A moratorium is declared in respect of any Indebtedness of the Borrower.

11.6.4 Any action, proceedings, procedure or step is taken in relation to:

11.6.4.1 the suspension of payments, a moratorium of any Indebtedness, winding up, dissolution, administration or reorganisation (using a voluntary arrangement, scheme of arrangement or otherwise) of the Borrower; or

11.6.4.2 a composition, compromise, assignment or arrangement with any creditor of the Borrower; or

11.6.4.3 the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Borrower or any of its assets.

11.6.5 The value of the Borrower's assets is less than its liabilities (taking into account contingent and prospective liabilities).

11.6.6 Any event occurs in relation to the Borrower that is analogous to those set out in *clause 11.6.1 to clause 11.6.5* (inclusive) in any jurisdiction.

11.6.7 *Clause 11.6.4* shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 14 days of commencement or, if earlier, the date on which it is advertised. The ending of any moratorium referred to in *clause 11.6.3* shall not remedy any Event of Default caused by that moratorium.

11.7 CREDITORS' PROCESS

A distress, attachment, execution, expropriation, sequestration or other analogous legal process is levied, enforced or sued out on, or against, the Borrower's assets having an aggregate value of £10,000 (or its equivalent in other currencies) and is not discharged or stayed within 21 days.

11.8 ENFORCEMENT OF SECURITY

Any Security in respect of Indebtedness exceeding £10,000 (or its equivalent in other currencies) on or over the assets of the Borrower becomes enforceable.

11.9 ILLEGALITY

All or any part of any Finance Document becomes invalid, unlawful, unenforceable, terminated, disputed or ceases to be effective or to have full force and effect.

11.10 REPUDIATION

The Borrower repudiates or evidences an intention to repudiate the Finance Documents or any of them.

11.11 MATERIAL ADVERSE CHANGE

Any event occurs (or circumstances exist) which, in the reasonable opinion of the Lender, has or is likely to have a Material Adverse Effect.

11.12 ACCELERATION

At any time after an Event of Default has occurred, the Lender may, by notice to the Borrower:

11.12.1 declare the Loan, accrued Interest and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable; and/or

11.12.2 declare the Debenture to be enforceable; and/or

11.12.3 declare the Deed of Guarantee to be enforceable.

12. ASSIGNMENT AND TRANSFER

12.1 ASSIGNMENT AND TRANSFER BY THE LENDER

The Lender may:

12.1.1 assign any of its rights under the Finance Documents; or

12.1.2 transfer all of its rights or obligations under the Finance Documents by novation,

to any Affiliate.

12.2 LENDER'S RIGHT TO CHARGE, ASSIGN OR CREATE SECURITY OVER RIGHTS

12.2.1 In addition to the other rights provided to the Lender under this *clause 12*, the Lender may at any time and without the Borrower's consent, charge, assign or otherwise create Security in or over all or any of its rights under any Finance Document to secure its obligations, including any charge, assignment or other Security to secure obligations to a federal reserve or central bank, except that no such charge, assignment or Security shall:

12.2.1.1 release the Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security for the Lender as a party to any of the Finance Documents; or

12.2.1.2 require any payments to be made by the Borrower other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the Lender under the Finance Documents.

12.3 ASSIGNMENT OR TRANSFER BY THE BORROWER

The Borrower may not assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

13. SET-OFF

13.1 LENDER MAY SET-OFF

The Lender may at any time set off any liability of the Borrower to the Lender against any liability of the Lender to the Borrower, whether either liability is present or future, liquidated or unliquidated, and whether or not

either liability arises under this Agreement. If the liabilities to be set off are expressed in different currencies, the Lender may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Lender of its rights under this *clause 13.1* shall not limit or affect any other rights or remedies available to it under this Agreement or otherwise.

13.2 NO OBLIGATION TO SET-OFF

The Lender is not obliged to exercise its rights under *clause 13.1*, but if the rights are exercised, the Lender shall promptly notify the Borrower of the set-off that has been made.

14. CALCULATIONS AND CERTIFICATES

14.1 ACCOUNTS

The Lender shall maintain accounts evidencing the amounts owed to it by the Borrower, in accordance with its usual practice. Entries in those accounts shall be prima facie evidence of the existence and amount of the Borrower's obligations as recorded in them.

14.2 CERTIFICATES AND DETERMINATIONS

If the Lender issues any certificate, determination or notification of any amount payable under this Agreement, it shall be (in the absence of manifest error) conclusive evidence of the matter to which it relates.

14.3 DAY COUNT CONVENTION

Any interest, commission or fee shall accrue on a day-to-day basis, calculated according to the actual number of days elapsed and a year of 365 days.

15. AMENDMENTS, WAIVERS AND CONSENTS

15.1 AMENDMENTS

No amendment of any Finance Document shall be effective unless it is in writing and signed by, or on behalf of, each party to it (or its authorised representative).

15.2 WAIVERS AND CONSENTS

15.2.1 A waiver of any right or remedy under any Finance Document or by law, or any consent given under any Finance Document, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.

15.2.2 A failure or delay by a party to exercise any right or remedy provided under any Finance Document or by law shall not

constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm any Finance Document. No single or partial exercise of any right or remedy provided under any Finance Document or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm any Finance Document by the Lender shall be effective unless it is in writing.

15.3 RIGHTS AND REMEDIES

The rights and remedies provided under each Finance Document are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

16. SEVERANCE

If any provision (or part of a provision) of any Finance Document is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of the relevant Finance Document.

17. COUNTERPARTS

17.1 COUNTERPARTS

17.1.1 Each Finance Document may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute one agreement.

17.1.2 Transmission of the executed signature page of a counterpart of this Agreement by fax or email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this Agreement. If either method of delivery is adopted, without prejudice to the validity of the agreement thus made, each party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.

17.1.3 No counterpart shall be effective until each party has executed at least one counterpart.

18. THIRD PARTY RIGHTS

18.1 THIRD PARTY RIGHTS

18.1.1 person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Agreement. This does not affect any

right or remedy of a third party which exists, or is available, apart from that Act.

- 18.1.2 The rights of the parties to rescind or agree any amendment or waiver under this Agreement are not subject to the consent of any other person.

19. NOTICES

19.1 DELIVERY

Any notice or other communication given to a party under or in connection with any Finance Document shall be:

- 19.1.1 in writing;
- 19.1.2 delivered by hand by pre-paid first-class post or other next working day delivery service or sent by fax; and
- 19.1.3 sent to:

19.1.3.1 the Borrower at:

2 Mark Street Surrey RH2 0BL

Fax: none

Email: bradley@ballenhomes.co.uk

Attention: Bradley Allen

19.1.3.2 the Lender at:

Lance Levy Farmhouse, Wildmoor Lane, Hook, Hampshire,
United Kingdom, RG27 0HB

Fax: none

Email: richard.bush@crowdlords.com

Attention: Richard Bush

or to any other address or fax number or email address as is notified in writing by one party to the other from time to time.

19.2 RECEIPT BY BORROWER

Any notice or other communication that the Lender gives to the Borrower under or in connection with any Finance Document shall be deemed to have been received:

- 19.2.1 if delivered by hand, at the time it is left at the relevant address;

19.2.2 if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting;

19.2.3 if sent by fax, when received in legible form; and

19.2.4 if sent by email, one Business Day after it is sent.

A notice or other communication given as described in *clause 19.2.1* or *clause 19.1.3* on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

19.3 RECEIPT BY THE LENDER

Any notice or other communication given to the Lender shall be deemed to have been received only on actual receipt.

20. GOVERNING LAW AND JURISDICTION

20.1 GOVERNING LAW

This Agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales.

20.2 JURISDICTION

Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim (including non-contractual disputes or claims) that arises out of or in connection with this Agreement or its subject matter or formation. Nothing in this clause shall limit the right of the Lender to take proceedings against the Borrower in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

This agreement has been entered into on the date stated at the beginning of it.

Schedule 1
Conditions precedent

1. CONDITIONS PRECEDENT

- 1.1 A copy of the constitutional documents of the Borrower.
- 1.2 A copy of the resolutions duly passed by the Borrower's board of directors:
 - 1.2.1 approving the entry into, terms of and transactions contemplated by the Finance Documents and resolving that it execute, deliver and perform the Finance Documents;
 - 1.2.2 authorising a specified person or persons to execute the Finance Documents on its behalf, to give all notices and take all other action in connection with the Finance Documents; and
 - 1.2.3 confirming that entry into the relevant Finance Document is in the commercial interests of the Borrower (stating the reasons for such conclusion).
- 1.3 A sample of the signature of each person authorised by the resolutions referred to in *paragraph 1.2* of this *Schedule 1*.
- 1.4 A certificate, signed by a director of the Borrower, confirming that borrowing or granting security in respect of the Loan would not mean any borrowing, security or similar limit binding on the Borrower would be exceeded.

2. FINANCE DOCUMENTS

- 2.1 This Agreement, duly executed by the Borrower.
- 2.2 The Debenture, duly executed by the Borrower.
- 2.3 Each notice required to be sent under the Debenture substantially in the form set out in the Debenture.
- 2.4 The Deed of Guarantee, duly executed by the Guarantor.

Signed by BORROWER


.....
Director

Signed by LENDER

.....
Director