



Companies House

MR01(ef)

Registration of a Charge

Company name: **KM (HOLDINGS) LIMITED**

Company number: **08526759**

Received for Electronic Filing: **01/07/2013**



Details of Charge

Date of creation: **30/06/2013**

Charge code: **0852 6759 0001**

Persons entitled: **GERALDINE RUTH PRATT ALLINSON
HENRY EDWIN PRATT BOORMAN
CECILIA ANNE BUCHANAN
ELIZABETH MARY MEREDITH LAWSON**

Brief description: **THE LEASEHOLD PROPERTY KNOWN AS UNIT 2 SHELDON WAY,
LARKFIELD, AYLESFORD, KENT. TITLE NUMBER: K869895**

Contains fixed charge(s).

Notification of addition to or amendment of charge.

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:

KATIE HAYLOCK



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8526759

Charge code: 0852 6759 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 30th June 2013 and created by KM (HOLDINGS) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 1st July 2013 .

Given at Companies House, Cardiff on 2nd July 2013



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATED 30 June 2013

(1) KM (HOLDINGS) LIMITED

and

(2) GERALDINE RUTH PRATT ALLINSON, HENRY
EDWIN PRATT BOORMAN, CECILIA ANNE
BUCHANAN AND ELIZABETH MARY MEREDITH
LAWSON

LEGAL CHARGE

relating to

Unit 2, Sheldon Way, Larkfield,
Aylesford, Kent
Title Number: K869895

Vertex Law LLP
23 Kings Hill Avenue
Kings Hill
West Malling
Kent
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Our Ref: RLB/1193/28

THIS LEGAL CHARGE is made the 30 day of June 2013

BETWEEN

- (1) **KM (HOLDINGS) LIMITED** a company registered in England with the number 08526759 and whose registered office is at Medway House Sir Thomas Longley Road Medway City Estate Strood Kent ME2 4DU ("KHL") and
- (2) **GERALDINE RUTH PRATT ALLINSON** of Stone Stile, Hart Hill, Charing, Ashford, Kent TN27 0HW, **HENRY EDWIN PRATT BOORMAN** of 130 Leander Road, London SW2 2LJ **CECILIA ANNE BUCHANAN** of Standen Barn, Smarden Road, Biddenden, Ashford, Kent TN27 8JT and **ELIZABETH MARY MEREDITH LAWSON** of Bilsington Priory Estate Limited, St Augustine's Priory, Bilsington, Ashford, Kent TN25 7AU (the "Chargee")

NOW THIS DEED WITNESSES as follows:

1 Definitions and Interpretation

The definitions in this clause apply in this legal charge:

- 1.1 'the Act' means the Law of Property Act 1925
- 1.2 'Costs' means all charges, costs, damages, expenses, liabilities and taxes of any kind, including (without limitation) professional fees, disbursements and VAT
- 1.3 'the Charged Property' means the property specified in Schedule 4 below and all buildings and fixtures and fittings (including fixed plant and machinery and trade fixtures and fittings) on it together with all proceeds of sale and all other monies payable in respect of it and all rights under any licence, agreement for sale or agreement for lease in respect of it (and references to the Charged Property shall, where the context so admits or requires, include references to any part or parts of the Charged Property)
- 1.4 "Deed of Priority" means, together, the deed of postponement of even date with this legal charge and made between (1) Geraldine Ruth Pratt Allinson (2) KMH and (3) Lloyds TSB Bank plc and the deed of postponement of even date with this legal charge and made between (1) Henry Edwin Pratt Boorman (2) KMH and (3) Lloyds TSB Bank plc and the deed of postponement of even date with this legal charge and made between (1) Cecilia Anne Buchanan (2) KMH and (3) Lloyds TSB Bank plc and the deed of postponement of even date with this legal charge and made between (1) Elizabeth Mary Meredith Lawson (2) KMH and (3) Lloyds TSB Bank plc
- 1.5 'Encumbrance' means any mortgage, charge (whether fixed or floating or legal or equitable), pledge, lien, assignment by way of security or other security interest
- 1.6 'Event of Default' has the same meaning as that expression has in the Loan Note Instrument save that such expression when used in this legal charge shall also include any failure by KMH to observe and perform KMH's covenants in this legal charge
- 1.7 'the Loan' means the loan by the Chargee to KMH as more particularly described in the Loan Note Instrument
- 1.8 'Loan Notes' means the £1,000,000.00 sterling denominated secured variable rate loan notes 2017 of KMH issued to the Chargee under the Loan Note Instrument.
- 1.9 'the Loan Note Instrument' means the Loan Notes issued by KMH dated on or around the date of this Charge.
- 1.10 'the Prior Mortgage' means the prior charge details of which are contained in Schedule 5

- 1.11 'the Prior Sum' means all monies secured (including all interest and expenses due and payable in connection therewith) under the terms of the Prior Mortgage
- 1.12 'the Receiver' shall mean a receiver and/or manager or any other receiver appointed pursuant to this legal charge
- 1.13 'the Rent' means all amounts payable to KMH in respect of the Charged Property by way of ground rent, rent, licence fee, service charge, dilapidations and any other monies payable for occupation or usage
- 1.14 'the Secured Amounts' means all past present and future monies, obligations and liabilities (whether actual or contingent and whether owed jointly or severally and whether owed as principal or surety) owed by KMH to the Chargee under or in connection with the Loan or the Loan Note Instrument or this legal charge together with interest incurred in respect of such monies, obligations and liabilities and, on an indemnity basis, all Costs
- 1.15 'Special Resolution' in accordance with Schedule 3 of the Loan Note Instrument a resolution passed at a meeting of the Chargee or by written resolution by a majority consisting of not less than 75% in nominal value of the outstanding Loan Notes.
- 1.16 Interpretation

In this legal charge unless the context requires otherwise:

- (a) A reference to a statute or statutory provision includes a reference to any subordinate legislation made under that statute or statutory provision and to any modification, re-enactment or extension of that statute or statutory provision
- (b) A reference to one gender includes a reference to the other genders
- (c) Words in the singular include the plural and words in the plural include the singular
- (d) A reference to a clause or Schedule is to a clause of, or Schedule to, this legal charge and references to paragraphs are to paragraphs of the relevant Schedule to this legal charge
- (e) A reference to this legal charge (or any specified provision of it) or any other document shall be construed as a reference to this legal charge, that provision or that document as in force for the time being and as amended from time to time
- (f) A reference to a person shall include a reference to an individual, firm, company, partnership, corporation, unincorporated body of persons, or any state or any agency of a person
- (g) Clause, Schedule and paragraph headings shall not affect the interpretation of this legal charge

2 Payment of Secured Amounts

- 2.1 KMH shall, on demand, pay to the Chargee and discharge the Secured Amounts when they become due free from any legal or equitable right of set-off.

2.2 Secured Amounts

KMH further covenants with the Chargee to repay the Secured Amounts to the Chargee free from any legal or equitable right of set-off on demand if:

- 2.2.1 KMH or any surety fails to comply with any term, condition, covenant or provision of, or to perform any of his obligations or liabilities under, this or any associated or collateral security; or

- 2.2.2 any representation or warranty given by KMH or any surety to the Chargee is or becomes incorrect; or
- 2.2.3 any judgment or order made against KMH or any surety by any court is not complied with within seven (7) days; or
- 2.2.4 the property of KMH or any surety becomes subject to any forfeiture or execution, distress, sequestration or other form of process; or
- 2.2.5 a mortgagee takes possession of or exercises or seeks to exercise any power of sale or a receiver is appointed in relation to the Charged Property or any other property of KMH or of any surety; or
- 2.2.6 in the case of a company:
 - 2.2.6.1 KMH or any surety ceases or threatens to cease to carry on, or disposes or threatens to dispose of, its business or a material part of its business; or
 - 2.2.6.2 KMH or any surety makes a proposal for a voluntary arrangement under Part 1 of the Insolvency Act 1986 or enters, or seeks to enter, into any other form of composition or arrangement with its creditors whether in whole or in part; or
 - 2.2.6.3 a petition is presented for the making of an administration order in respect of KMH or any surety; or
 - 2.2.6.4 an administrative receiver or a receiver or a manager is appointed in respect of the whole or any part of the undertaking of KMH or any surety; or
 - 2.2.6.5 KMH or any surety goes into liquidation or a petition is presented in any court or a meeting is convened for the purpose of considering a resolution for the winding up of KMH or any surety (except in the case of a reconstruction or amalgamation that has the previous approval in writing of the Chargee).

3 Legal charge

As a continuing security for the payment and discharge of the Secured Amounts KMH with full title guarantee charges to the Chargee (a) by way of a second legal mortgage the Charged Property subject to the Prior Mortgage and (b) by way of a second fixed charge subject to the Prior Mortgage (i) all its rights in and any proceeds from any policies of insurance relating to the Charged Property (ii) the Rent (iii) all its rights in and any proceeds from any contracts, guarantees, appointments and warranties relating to the Charged Property (iv) all its rights in and any proceeds from any approvals authorisations consents or licences (whether statutory or otherwise) relating to the Charged Property and/or KMH's business carried on at the Property.

4 Prior Security and Deed of Priority

- 4.1 The Prior Sum secured by the Prior Mortgage is still owing with interest accruing thereon.
- 4.2 The terms of this legal charge and any payments to be made hereunder are subject to the terms of and the order of priorities and restrictions on enforcement set out in the Deed of Priority.

5 Costs and Expenses

KMH hereby covenants to pay to the Chargee and any Receiver and discharge on demand all Costs from time to time expended paid or incurred by or on behalf of the Chargee or any Receiver in relation to this legal charge or the Secured Amounts or any other security held by or offered to the Chargee in respect thereof (including without limitation the taking, holding,

protecting, perfecting, preserving or enforcing (or attempting to do so) of the Chargee's or any Receiver's rights under this legal charge or under any other such security offered or held) on a full and unlimited indemnity basis including without prejudice to the generality of the foregoing, all Costs (including without limitation the fees of professional advisors to the Chargee or any Receiver) incurred in connection with any proceedings by or against KMH or any third party relating to the Charged Property or in connection with or in contemplation of any proceedings hereunder or under any other such security offered or held or the recovery or attempted recovery of the Secured Amounts whether or not such proceedings are withdrawn or are unsuccessful and all liabilities suffered or incurred by the Chargee or any Receiver, directly or indirectly, in the execution or purported or attempted execution of any of the powers authorities or discretions vested in the Chargee or any Receiver under or pursuant to this legal charge and for all actions claims and demands in respect of any matter or thing done or omitted to be done in any way relating to the Charged Property together with interest thereon from day to day until full discharge (whether before or after judgment, liquidation, winding-up or administration of KMH) at the rate of five per cent (5%) per annum above the base lending rate from time to time of National Westminster Bank plc (or, if such base rate ceases to be published, then the base rate of such other UK clearing bank as the Chargee shall reasonably specify) and such interest shall accrue and be payable as from the date on which the relevant Costs arose and such interest shall be compounded on the usual quarter days and any payments received by the Chargee or any Receiver on account of Costs shall (at the Chargee's or any Receiver's option) first be in discharge of interest due.

6 Protection of persons dealing with the Chargee or a Receiver

No person dealing with the Chargee or any Receiver appointed by the Chargee shall be concerned or entitled to enquire or be affected by notice as to any of the following matters:

- 6.1 Whether this security has become enforceable;
- 6.2 Whether any power exercised or purported to be exercised under this legal charge has arisen or become exercisable;
- 6.3 The propriety, regularity or purpose of the exercise or purported exercise of any such power;
- 6.4 Whether any money remains due under the security; or
- 6.5 The necessity or expediency of the stipulations and conditions subject to which any disposition shall be made; and the receipt of the Chargee or any Receiver for any money shall effectually discharge the person paying from such matters and from being concerned to see to the application or being answerable for the loss or misapplication of such money.

7 Registration of Legal Charge at HM Land Registry

KMH consents to an application being made by the Chargee to the Land Registrar for the following restriction in Form P to be registered against its title to the Charged Property:

'No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [] in favour of Geraldine Ruth Pratt Allinson, Henry Edwin Pratt Boorman, Cecilia Anne Buchanan and Elizabeth Mary Meredith Lawson referred to in the charges register or their conveyancer.'

8 Governing law and jurisdiction

- 8.1 This legal charge shall be governed by and construed in accordance with English law.
- 8.2 It is irrevocably agreed for the exclusive benefit of the Chargee that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this

legal charge and that accordingly any suit, action or proceeding arising out of or in connection with this legal charge may be brought in such courts.

- 8.3 Nothing in this clause shall limit the Chargee's right to take proceedings against KMH in any other court of competent jurisdiction, nor shall the taking of proceedings in one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not.

9 Further Advances

This legal charge is made for securing (but the Chargee is not obliged to make) further advances.

10 Exclusion of Third Party Rights

Nothing in this legal charge is intended to confer any benefit on any person who is not a party to it pursuant to the Contracts (Rights of Third Parties) Act 1999.

11 Liability of KMH not discharged

- 11.1 KMH's liability under this legal charge in respect of any of the Secured Amounts shall not be discharged, prejudiced or affected by:
- (a) any security, guarantee, indemnity, remedy or other right held by, or available to, the Chargee that is or becomes wholly or partially illegal, void or unenforceable on any ground; or
 - (b) the Chargee renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or
 - (c) any other act or omission, which but for this clause 11 might have discharged, or otherwise prejudiced or affected, the liability of KMH.

12 Immediate recourse

KMH waives any right it may have to require the Chargee to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this legal charge against KMH.

13 Covenants

KMH covenants with the Chargee in the terms set out in Schedule 1.

14 Powers of the Chargee

The Chargee shall have the powers set out in Schedule 2.

15 Enforcement

15.1 When security becomes enforceable

The security constituted by this legal charge shall be immediately enforceable and the power of sale and other powers given by section 101 of the Act (as varied or extended by this legal charge) shall be immediately exercisable at any time after the occurrence of an Event of Default (whether or not such Event of Default is still continuing).

15.2 When statutory powers arise

Section 103 of the Act shall not apply to this legal charge and the statutory power of sale and other powers given by section 101 of the Act (as varied or extended by this legal charge) shall, as between the Chargee and a purchaser, arise on the execution of this legal charge and be exercisable at any time after such execution, but the Chargee shall not exercise such power of sale until the security constituted by this legal charge has become enforceable under clause 15.1.

16 Enforcement of security

- 16.1 After the security constituted by this legal charge has become enforceable, the Chargee may in its absolute discretion enforce all or any part of that security at the times, in the manner and on the terms it thinks fit and take possession of and hold or dispose of all or any part of the Charged Property.

17 Redemption of Prior Charge

At any time after the security constituted by this legal charge has become enforceable, or after any powers conferred by any Encumbrance having priority to this legal charge shall have become exercisable, the Chargee may

- (a) redeem any other prior Encumbrance (including the Prior Mortgage), or procure its transfer to itself; and
- (b) settle any account of that encumbrancer.

The settlement of any such account shall be conclusive and binding on KMH. All monies paid by the Chargee to an encumbrancer in settlement of such an account shall, as from its payment by the Chargee, be due from KMH to the Chargee and shall bear interest and be secured as part of the Secured Amounts.

18 Extension of statutory powers of leasing

The statutory powers of leasing and accepting surrenders are extended so as to authorise the Chargee and any Receiver, at any time after the security constituted by this legal charge has become enforceable, whether in its own name or in that of KMH, to make any lease or agreement for lease, accept surrenders of leases or grant any option of the whole or any part of the Charged Property with whatever rights relating to other parts of it, containing whatever covenants on the part of KMH, 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 Chargee or Receiver thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the Act.

19 Privileges

Each Receiver and the Chargee is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers.

20 No liability as mortgagee in possession

Neither the Chargee nor any Receiver shall be liable to account as mortgagee in possession in respect of all or any of the Charged Property, nor shall any of them be liable for any loss on realisation of, or for any neglect or default of any nature in connection with, all or any of the Charged Property for which a mortgagee in possession might be liable as such.

21 Relinquishing possession

If the Chargee or any Receiver enters into or takes possession of the Charged Property, it or he may at any time relinquish possession.

22 Receivers

At any time after the security constituted by this legal mortgage has become enforceable or at the request of KMH, the Chargee may, without further notice:

- (a) appoint in writing any one or more person or persons to be a receiver or a receiver and manager, of all or any part of the Charged Property; and
- (b) (subject to section 45 of the Insolvency Act 1986) from time to time, in writing, remove any person appointed to be Receiver and may, in a similar manner, appoint another in his place.

Where more than one person is appointed Receiver, they shall have power to act separately (unless the appointment by the Chargee specifies to the contrary).

23 Power of appointment additional to statutory powers

The power to appoint a Receiver conferred by this legal charge shall be in addition to all statutory and other powers of the Chargee under the Insolvency Act 1986, the Act or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the Act.

24 Power of appointment exercisable despite prior appointments

The power to appoint a Receiver (whether conferred by this legal charge or by statute) shall be, and remain, exercisable by the Chargee despite any prior appointment in respect of all or any part of the Charged Property.

25 Remuneration of a Receiver

The Chargee may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the Act and the remuneration of the Receiver shall be a debt secured by this legal charge which shall be due and payable immediately upon its being paid by the Chargee.

26 Powers and capacity of a Receiver

Any Receiver appointed by the Chargee under this legal charge shall, in addition to the powers conferred on him by the Act and the Insolvency Act 1986, have the powers set out in Schedule 3.

27 Scope of Receiver's powers

Any exercise of any of the powers of a Receiver by the Receiver may be on behalf of KMH, the directors of KMH or himself.

28 Receiver is agent of KMH

Any Receiver appointed by the Chargee under this legal charge shall be the agent of KMH and KMH shall be solely responsible for his acts and remuneration, as well as for any defaults committed by him. The agency of each Receiver shall continue until KMH goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Chargee.

29 Delegation

Each of the Chargee and any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this legal charge (including the power of attorney granted

hereunder). Any such delegation may be made upon such terms and conditions (including the power to sub-delegate) as the Chargee or any Receiver shall think fit. Neither the Chargee nor any Receiver shall be in any way liable or responsible to KMH for any loss or liability arising from any act, default, omission or misconduct on the part of any delegate.

30 Application of proceeds

All monies received by the Chargee or a Receiver or a delegate (other than sums received pursuant to any insurance policy) pursuant to this legal charge after the security constituted by this legal charge has become enforceable, shall (subject to the claims of any person having prior rights and by way of variation of the Act) be applied:

- (a) first in paying all costs, charges and expenses of, and incidental to, the appointment of any Receiver and the exercise of his powers and all outgoings paid by him;
- (b) second in paying the remuneration of any Receiver (as agreed between the Receiver and the Chargee);
- (c) third in or towards discharge of the Secured Amounts in such order and manner as the Chargee determines; and
- (d) finally in paying any surplus to KMH or any other person entitled to it.

31 Appropriation

Neither the Chargee, any Receiver nor any delegate shall be bound (whether by virtue of section 109(8) of the Act, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Amounts.

32 Indemnity

The Chargee, any Receiver and any delegate, and their respective employees and agents, shall be indemnified on a full indemnity basis out of the Charged Property in respect of all actions, liabilities and Costs incurred or suffered in or as a result of:

- (a) the exercise, or purported exercise, of any of the powers, authorities or discretions vested in them under this legal charge;
- (b) any matter or thing done, or omitted to be done, in relation to the Charged Property under those powers; or
- (c) any default or delay by KMH in performing any of its obligations under this legal charge.

33 Power of attorney

33.1 Appointment of attorneys

By way of security, KMH irrevocably appoints the Chargee, every Receiver and every delegate separately to be the attorney of KMH and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things which:

- (a) KMH is required to execute and do under this legal charge; and
- (b) any attorney may deem proper or desirable in exercising any of the powers, authorities and discretions conferred by this legal charge or by law on the Chargee, any Receiver or any delegate.

33.2 Ratification of acts of attorneys

KMH ratifies and confirms, and agrees to ratify and confirm, anything which any of its attorneys may do in the proper and lawful exercise or purported exercise of all or any of the powers, authorities and discretions referred to in clause 33.1.

34 Assignment and transfer

34.1 Assignment by the Chargee

At any time, without the consent of KMH, the Chargee may assign or transfer the whole or any part of the Chargee's rights and/or obligations under this legal charge to any person. The Chargee may disclose such information about KMH, the Charged Property and this legal charge as the Chargee considers appropriate to any actual or proposed assignee or transferee.

34.2 Assignment by KMH

KMH may not assign any of its rights, or transfer any of its obligations, under this legal charge or enter into any transaction which would result in any of those rights or obligations passing to another person.

35 Further provisions

35.1 Independent security

This legal charge shall be in addition to, and independent of, every other security or guarantee which the Chargee may hold for any of the Secured Amounts at any time. No prior security held by the Chargee over the whole or any part of the Charged Property shall merge in the security created by this legal charge.

35.2 Continuing security

This legal charge shall remain in full force and effect as a continuing security for the Secured Amounts, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Chargee discharges this legal charge in writing.

35.3 Discharge conditional

Any release, discharge or settlement between KMH and the Chargee shall be deemed conditional on no payment or security received by the Chargee in respect of the Secured Amounts being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:

- (a) the Chargee or its nominee may retain this legal charge and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Charged Property, for such period as the Chargee deems necessary to provide the Chargee with security against any such avoidance, reduction or order for refund; and
- (b) the Chargee may recover the value or amount of such security or payment from KMH subsequently as if such release, discharge or settlement had not occurred.

36 Certificates

A certificate or determination by the Chargee as to any amount for the time being due to it from KMH shall (in the absence of any manifest error) be conclusive evidence of the amount due.

37 Rights cumulative

The rights and powers of the Chargee conferred by this legal charge are cumulative, may be exercised as often as the Chargee considers appropriate, and are in addition to its rights and powers under the general law.

38 Waivers, amendments and releases

- 38.1 Any waiver or variation of any right by the Chargee (whether arising under this legal charge or under the general law) shall only be effective if it is in writing and signed by the Chargee and applies only in the circumstances for which it was given, and shall not prevent the Chargee from subsequently relying on the relevant provision.
- 38.2 For the purpose of amending, waiving or releasing any and all rights of the Chargee under this Charge, such amendment, waiver or release shall be binding on each and all the Chargee if it is approved by Special Resolution and the provision of Schedule 3 of the Loan Note Instrument shall apply accordingly.

39 Further exercise of rights

No act or course of conduct or negotiation by or on behalf of the Chargee shall, in any way, preclude the Chargee from exercising any right or power under this legal charge or constitute a suspension or variation of any such right or power.

40 Delay

No delay or failure to exercise any right or power under this legal charge shall operate as a waiver.

41 Single or partial exercise

No single or partial exercise of any right under this legal charge shall prevent any other or further exercise of that or any other right.

42 Consolidation

The restriction on the right of consolidation contained in section 93 of the Act shall not apply to this legal charge.

43 Partial invalidity

The invalidity, unenforceability or illegality of any provision (or part of a provision) of this legal charge under the laws of any jurisdiction shall not affect the validity, enforceability or legality of the other provisions. If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with any modification necessary to give effect to the commercial intention of the parties.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Schedule 1

Covenants

Part 1 – General Covenants

1 Negative pledge and disposal restrictions

KMH shall not at any time, except with the prior written consent of the Chargee:

- (a) create, purport to create or permit to subsist any Encumbrance other than the Prior Mortgage on, or in relation to, the Charged Property other than this legal charge; or
- (b) sell, assign, transfer, part with possession of or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, the Charged Property; or
- (c) create or grant (or purport to create or grant) any interest in the Charged Property in favour of a third party.

2 Enforcement of rights

KMH shall use its best endeavours to:

- (a) procure the prompt observance and performance by the relevant counterparty to any agreement or arrangement with KMH and forming part of the Charged Property of the covenants and other obligations imposed on such counterparty; and
- (b) enforce any rights and institute, continue or defend any proceedings relating to any of the Charged Property which the Chargee may require from time to time.

3 Compliance with laws

KMH shall comply with all laws and regulations for the time being in force relating to or affecting any Charged Property and shall obtain and promptly renew from time to time and comply with the terms of all authorisations which may be necessary to enable it to preserve, maintain or renew any Charged Property.

4 Further assurance

KMH shall, at its own cost, prepare and execute such further deeds or documents and give all notices, orders and directions as the Chargee, in its absolute discretion, requires from time to time for perfecting, protecting or facilitating the realisation of the Chargee's security over the Charged Property.

5 KMH's waiver of set-off

KMH waives any present or future right of set-off it may have in respect of the Secured Amounts.

Part 2 – Property Covenants

1 Repair and maintenance

KMH shall keep all premises, and fixtures and fittings on the Charged Property in good and substantial repair and condition and shall keep all premises adequately and properly painted and decorated and replace any fixtures and fittings which have become worn out or otherwise unfit for use by others of a like nature and equal value.

2 No alterations

2.1 KMH shall not, without the prior written consent of the Chargee:

- (a) pull down or remove the whole or any part of any building forming part of the Charged Property nor permit the same to occur; or
- (b) make or permit to be made any material alterations to the Charged Property or sever or remove or permit to be severed or removed any of its fixtures or fittings (except to make any necessary repairs or renew or replace the same in accordance with paragraph 1).

2.2 KMH shall promptly give notice to the Chargee if the premises or fixtures or fittings forming part of the Charged Property are destroyed or damaged.

3 Development restrictions

KMH shall not, without the prior written consent of the Chargee, carry out or permit or suffer to be carried out on the Charged Property any development as defined in each of the Town and Country Planning Act 1990 and the Planning Act 2008 or change or permit or suffer to be changed the use of the Charged Property and provided always that such development or change of use is authorised by a relevant planning permission.

4 Insurance

4.1 KMH shall insure and keep insured the Charged Property against:

- (a) loss or damage by fire or terrorist acts;
- (b) other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as KMH; and
- (c) any other risk, perils and contingencies as the Chargee may reasonably require.

Any such insurance must be with an insurance company or underwriters and on such terms as are reasonably acceptable to the Chargee and must be for not less than the replacement value of the Charged Property (meaning in the case of any premises on the Charged Property, the total cost of entirely rebuilding, reinstating or replacing the premises in the event of their being destroyed, together with architects', surveyors', engineers' and other professional fees and charges for demolition and reinstatement) and loss of rents payable by the tenants or other occupiers of the Charged Property for a period of at least three years.

4.2 KMH shall, if requested by the Chargee, produce to the Chargee the policy, certificate or cover note relating to any such insurance required by paragraph 4.1.

4.3 KMH shall procure that a note of the Chargee's interest is endorsed upon each insurance policy maintained by it or any person on its behalf in accordance with paragraph 4.1 and that the terms of each such insurance policy require the insurer not to invalidate the policy as against the Chargee by reason of the act or default of any other joint or named insured and not to cancel it without giving at least 30 days' prior written notice to the Chargee.

5 Insurance premiums

KMH:

- (a) shall promptly pay all premiums in respect of each such insurance policy and do all other things necessary to keep such insurance policy in full force and effect; and
- (b) shall (if the Chargee so requires) produce to the Chargee the receipts for all premiums and other payments necessary for effecting and keeping up such insurance policies.

6 No invalidation of insurance

KMH shall not do or omit to do or permit to be done or omitted any thing that may invalidate or otherwise prejudice such insurance policies.

7 Insurance policies' proceeds

All monies payable under any such insurance policies at any time (whether or not the security constituted by this legal charge has become enforceable) shall:

- (a) if they are not paid directly to the Chargee by the insurers, be held by KMH as trustee of the same for the benefit of the Chargee (and the Chargee shall account for them to KMH); and
- (b) at the option of the Chargee, be applied in making good or recouping expenditure in respect of the loss or damage for which such monies are received or in or towards discharge or reduction of the Secured Amounts.

8 Leases and licences affecting the Charged Property

KMH shall not, without the prior written consent of the Chargee (which consent, in the case of paragraph 1.1(d), is not to be unreasonably withheld or delayed in circumstances in which KMH may not unreasonably withhold or delay its consent):

- (a) grant, or agree to grant, any licence or tenancy affecting the whole or any part of the Charged Property, or exercise the statutory powers of leasing (or agreeing to lease) or of accepting (or agreeing to accept) surrenders under sections 99 or 100 of the Act; or
- (b) in any other way dispose of (or agree to dispose of), accept the surrender of (or agree to accept the surrender of), surrender (or agree to surrender) or create any legal or equitable estate or interest in the whole or any part of the Charged Property; or
- (c) let any person into occupation of or share occupation of the whole or any part of the Charged Property; or
- (d) grant any consent or licence under any lease or licence affecting the Charged Property.

9 No restrictive obligations

KMH shall not, without the prior written consent of the Chargee, enter into any onerous or restrictive obligations affecting the whole or any part of the Charged Property or create or permit to arise any overriding interest, easement or right whatsoever in or over the whole or any part of the Charged Property.

10 Proprietary rights

KMH shall procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of the Charged Property, without the prior written consent of the Chargee.

11 Compliance with and enforcement of covenants

KMH shall:

- (a) observe and perform all covenants, stipulations and conditions to which the Charged Property, or the use of it, is or may be subject and (if the Chargee so requires) produce to the Chargee evidence sufficient to satisfy the Chargee that those covenants, stipulations and conditions have been observed and performed; and
- (b) diligently enforce all covenants, stipulations and conditions benefiting the Charged Property and shall not (and shall not agree to) waive, release or vary any of the same without the prior written consent of the Chargee.

12 Notices or claims relating to the Charged Property

KMH shall:

- (a) give full particulars to the Chargee of any notice, order, direction, designation, resolution, application, requirement or proposal given or made by any public or local body or authority ('a Notice') that specifically applies to the Charged Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Notice; and
- (b) (if the Chargee so requires) immediately, and at the cost of KMH, take all reasonable and necessary steps to comply with any Notice, and make, or join with the Chargee in making, such objections or representations in respect of any such Notice as the Chargee may desire.

13 Payment of rent and outgoings

KMH shall pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments and other outgoings relating to or imposed upon the Charged Property or on its occupier.

14 Rent reviews

KMH shall, if the Charged Property is subject to occupational leases or licences, implement any upwards rent review provisions and shall not, without the prior written consent of the Chargee, agree to any change in rent to less than the open market rental value of the relevant part of the Charged Property.

15 Environment

KMH shall in relation to the Charged Property:

- (a) properly discharge all duties of care and responsibility placed upon it by environmental law and comply with the terms of any environmental licences;
- (b) observe and perform all the requirements of environmental law; and
- (c) apply for and obtain all environmental licences.

16 Inspection

KMH shall permit the Chargee and any Receiver and any person appointed by either of them to enter on and inspect the Charged Property on reasonable prior notice.

17 VAT option to tax

KMH shall not, without the prior written consent of the Chargee:

- (a) exercise any VAT option to tax in relation to the Charged Property; or
- (b) revoke any VAT option to tax exercised prior to and disclosed to the Chargee in writing prior to the date of this legal charge.

Schedule 2

Powers of the Chargee

1 Power to remedy

- 1.1 The Chargee shall be entitled (but shall not be obliged) to remedy a breach at any time by KMH of any of its obligations contained in this legal charge. KMH irrevocably authorises the Chargee and its agents to do all such things as are necessary or desirable for that purpose. Any monies expended by the Chargee in remedying a breach by KMH of any of its obligations contained in this legal charge shall be reimbursed by KMH to the Chargee on a full indemnity basis and shall carry interest in accordance with this legal charge.
- 1.2 In remedying any breach in accordance with paragraph 1.1, the Chargee, its agents and their respective officers, agents and employees shall be entitled to enter onto the Charged Property and to take any action as the Chargee may reasonably consider necessary or desirable including, without limitation, carrying out any repairs, other works or development.

2 Exercise of rights

The rights of the Chargee under paragraph 1 are without prejudice to any other rights of the Chargee under this legal charge. The exercise of those rights shall not make the Chargee liable to account as a mortgagee in possession.

3 Chargee has Receiver's powers

To the extent permitted by law, any right, power or discretion conferred by this legal charge on a Receiver may, after the security constituted by this legal charge has become enforceable, be exercised by the Chargee in relation to any of the Charged Property whether or not it has taken possession of any Charged Property and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

4 Indulgence

The Chargee may, at its discretion, grant time or other indulgence or make any other arrangement, variation or release with any person that is not party to this legal charge (whether or not such person is jointly liable with KMH) in respect of any of the Secured Amounts or of any other security for them without prejudice either to this legal charge or to the liability of KMH for the Secured Amounts.

Schedule 3

Powers of a Receiver

1 Power to repair and develop the Charged Property

A Receiver may undertake or complete any works of repair, alteration, building or development on the Charged Property and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same.

2 Power to grant or accept surrenders of leases

A Receiver may grant, or accept surrenders of, any leases or tenancies affecting the Charged Property and may grant any other interest or right over the Charged Property on such terms and subject to such conditions as he thinks fit.

3 Power to employ personnel and advisers

A Receiver may, for any of the purposes authorised by this legal charge, provide services and employ, or engage, such managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on such salaries, for such periods and on such other terms as he thinks fit. A Receiver may discharge any such person or any such person appointed by KMH.

4 Power to make and revoke VAT options to tax

A Receiver may exercise or revoke any VAT option to tax as he thinks fit.

5 Power to charge for remuneration

A Receiver may charge and receive such sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) as the Chargee may prescribe or agree with him.

6 Power to realise Charged Property

A Receiver may collect and get in the Charged Property or any part of it in respect of which he is appointed and make such demands and take such proceedings as may seem expedient for that purpose, and take possession of the Charged Property with like rights.

7 Power to dispose of Charged Property

A Receiver may grant options and licences over all or any part of the Charged Property, sell or concur in selling, assign or concur in assigning, lease or concur in leasing and accept or concur in accepting surrenders of leases of, all or any of the Charged Property in respect of which he is appointed for such consideration and, in such manner (including, without limitation, by public auction or private sale) and generally on such terms and conditions as he thinks fit. A Receiver may promote, or concur in promoting, a company to purchase the Charged Property to be disposed of by him.

8 Power to sever fixtures and fittings

A Receiver may sever and sell separately any fixtures or fittings from the Charged Property without the consent of KMH.

9 Power to give valid receipts

A Receiver may give valid receipts for all monies and execute all assurances and things which may be proper or desirable for realising any of the Charged Property.

10 Power to make settlements

A Receiver may make any arrangement, settlement or compromise between KMH and any other person as he thinks fit.

11 Power to bring proceedings

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Charged Property as he thinks fit.

12 Power to insure

A Receiver may, if he thinks fit, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by KMH under this legal charge.

13 Powers under the Act

A Receiver may exercise all powers provided for in the Act in the same way as if he had been duly appointed under the Act and exercise all powers provided for an administrative receiver in Schedule 1 of the Insolvency Act 1986.

14 Power to borrow

A Receiver may, for any of the purposes authorised by this legal charge, raise money by borrowing from the Chargee (or from any other person) on the security of all or any of the Charged Property in respect of which he is appointed on such terms as he thinks fit (including, if the Chargee consents, terms under which such security ranks in priority to this legal charge).

15 Power to redeem prior Encumbrances

A Receiver may redeem any prior Encumbrance and settle and pass the accounts to which the Encumbrance relates. Any accounts so settled and passed shall be conclusive and binding on KMH, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

16 Power of absolute owner

A Receiver may do all such acts and things as an absolute owner could do in the ownership and management of the Charged Property or any part of it.

17 Incidental powers

A Receiver may do all such other acts and things as he may consider incidental or conducive to any of the matters or powers in this legal charge, or which he lawfully may or can do as agent for KMH.

Schedule 4

The Charged Property

The freehold property known as Unit 2 Sheldon Way, Larkfield, Aylesford, Kent. Title Number K869895.

Schedule 5

The Prior Mortgage

A first legal charge of, inter alia, the freehold property known as Unit 2 Sheldon Way, Larkfield, Aylesford, Kent and registered at the Land Registry with title number K869895 dated 21 March 2006 in favour of Lloyds TSB Bank Plc referred to at entries 3 and 4 of the charges register of title number K869895.

Executed and Delivered as a deed by
KM (HOLDINGS) LIMITED
acting by:-

Director

R. E. E. King

Director/Secretary

[Signature]

Executed and Delivered as a deed by
GERALDINE RUTH PRATT ALLINSON
in the
presence of:-

[Signature]

[Signature] Witness

KATIE HAYLOCK Full Name

Address

SALUTOR Occupation

VERTEX LAW LLP
23 Kings Hill Avenue
West Malling
Kent ME19 4UA
Tel: 01732 224000
Fax: 01732 224001

Executed and Delivered as a deed by
HENRY EDWIN PRATT BOORMAN
in the
presence of:-

[Signature]

[Signature] Witness

MATILDA ANN CLARKE Full Name

VERTEX LAW LLP Address

23 Kings Hill Avenue
West Malling


Kent ME19 4UA Occupation

Tel: 01732 224000
Fax: 01732 224001

SALUTOR

Executed and Delivered as a deed by
CECILIA ANNE BUCHANAN
in the
presence of:-





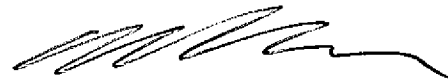
KATIE HAYBOK Full Name

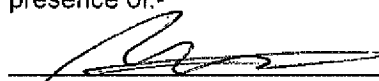
Address

Solicitor Occupation

VERTEX LAW LLP
23 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4UA
Tel 01732 224000

Executed and Delivered as a deed by
ELIZABETH MARY MEREDITH LAWSON
in the
presence of:-





NADINE TABOR Full Name

Address

PARALEGAL Occupation

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