



Registration of a Charge

Company name: **Orchard Homes Group Ltd**

Company number: **10147036**



X63CXRT7

Received for Electronic Filing: **31/03/2017**

Details of Charge

Date of creation: **23/03/2017**

Charge code: **1014 7036 0002**

Persons entitled: **ASSETZ CAPITAL TRUST COMPANY LIMITED**

Brief description: **THE FREEHOLD PROPERTY COMPRISING 117, 117A, 119 AND 119A EAST DULWICH GROVE, LONDON SE22 8PU AND COMPRISED WITHIN TITLE NUMBER SGL372605 AT THE LAND REGISTRY TOGETHER WITH OTHER PROPERTY. FOR MORE DETAILS PLEASE REFER TO THE INSTRUMENT.**

Contains fixed charge(s).

Contains negative pledge.

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:

STAN PAPOUTCHAROV



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 10147036

Charge code: 1014 7036 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 23rd March 2017 and created by Orchard Homes Group Ltd was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 31st March 2017 .

Given at Companies House, Cardiff on 3rd April 2017

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



Companies House



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

Date: 23 March 2016

Orchard Homes Group Limited

as Chargor

Assetz Capital Trust Company Limited

as Security Trustee

Legal Charge

relating to freehold property known as 117, 117a, 119 and 119a East
Dulwich Grove, London SE22 8PU

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THIS LEGAL CHARGE is made the 23 day of March 2016

BETWEEN:

- (1) **ORCHARD HOMES GROUP LIMITED** (Company No. 10147036) whose registered office is at 235 Long Lane, Uxbridge, England UB10 9JP (the "**Chargor**"); and
- (2) **ASSETZ CAPITAL TRUST COMPANY LIMITED** a company registered in England and Wales with registration number 8336441 and whose registered office is at Assetz House, Newby Road, Stockport, Cheshire, SK7 5DA (the "**Security Trustee**").

BACKGROUND

- (A) This Deed provides security which the Chargor has agreed to give to the Security Trustee for all of the Secured Obligations.
- (B) The Security Trustee and the Lending Syndicate Members have agreed that the Security Trustee will hold the benefit of the security created by this deed (subject to the terms of this deed) on trust for itself the Agent and the Lending Syndicate Members.

IT IS AGREED:

1. Definitions and Interpretation

1.1 In this Deed:

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

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

"**Agent**" means Assetz SME Capital Limited (company number 08007287);

"**Applicable Planning Permission**" means the planning permission dated 16 September 2016 (issued by Southwark Council under reference A16/AP/34953) in respect of the Development;

"**Assetz Network**" means the peer to peer lending network established by Assetz and described on the Website;

"**Building Contract**" means any building contract from time to time entered into in connection with the carrying out of the Development;

"**Building Contractor**" means the contractor employed under the Building Contract by the Chargor;

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

23 March 2017 *Friedman UK*
"Credit Agreement" means the loan agreement offering the Loan dated ~~1~~ October 2016 (or thereabouts) made between the Agent (1) and the Chargor (2) (as amended and/or substituted from time to time);

"Development" means the residential redevelopment (among other things) upon the Property in accordance with the Applicable Planning Permission and all other ancillary works in respect thereto;

"Event of Default" shall have the meaning ascribed thereto by the Credit Agreement;

"Lending Member" means a Lending Member of the Assetz Network who has been accepted for membership of the Assetz Network in accordance with the terms and conditions for Lending Members published on the Website from time to time;

"Lending Syndicate Members" means the Lending Members who have been successful in their bid to participate in the Loan to be made to the Chargor;

200,000
"Loan" means the mezzanine loan of £4,366,000 made available to the Chargor in connection with the carrying out of the Development or as the context requires the principal amount outstanding from time to time under the Credit Agreement; *Friedman UK*

"Permitted Security" means any security created in favour of the Security Trustee;

"Planning Acts" means the Town & Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning & Compensation Act 1991, the Planning & Compulsory Purchase Act 2004 and the Planning Act 2008 together with all other statutes now or after the date of this Deed governing or controlling the use of development of land and property;

"Property" means the property specified in the Schedule;

"Receiver" means a receiver or receiver and manager appointed by the Security Trustee under this Deed;

"Rent Account" means a designated account (if any) with the Security Trustee into which all Rental Income is to be paid under Clause 3.2;

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

"Secured Obligations" means all present and future obligations and liabilities of the Chargor to the Security Trustee and/or the Agent and/or the Lending Syndicate Members whether actual or contingent and whether owed or incurred alone or jointly and/or severally with another and as principal or as surety or in any other capacity or of any nature;

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

"Website" means www.assetzcapital.co.uk and any other internet address used to conduct the business activities of Assetz Development Capital Limited (and/or any other company) and to which the Lending Members have access.

1.2 Unless the context otherwise requires, any reference in this Deed to:

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

1.3 Headings in this Deed are for ease of reference only.

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

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

2. Covenant to Pay

The Chargor shall pay to the Security Trustee or discharge all the Secured Obligations when due to the Security Trustee.

3. Security

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

- (a) charges the Property to the Security Trustee by way of legal mortgage; and
- (b) if the Chargor is not an individual, charges to the Security Trustee by way of fixed charge all plant and machinery now or at any time on or in the Property and owned by the Chargor and its interest in any other plant and machinery in its possession; and

- (c) charges all present and future goodwill of any business carried on by the Chargor at the Property to the Security Trustee by way of first fixed charge; and
- (d) assigns absolutely to the Security Trustee:
 - (i) the Rental Income and the benefit of all rights and claims of the Chargor now or at any time against tenants or occupiers of the Property or their guarantors;
 - (i) the benefit of all rights and claims of the Chargor now or at any time against managing agents, professional advisors, suppliers or contractors in relation to the Property;
 - (ii) the benefit of all Permits now or at any time held by the Chargor in connection with any business carried on at the Property;
 - (iii) the benefit of all guarantees, insurances or compensation monies now or at any time relating to any of the Charged Assets; and
 - (iv) the benefit of any agreements or arrangements now or at any time entered into with any person for the purpose of or in connection with the fixing, capping or hedging of the rate of interest payable by the Chargor in respect of any borrowing from or indebtedness to the Security Trustee and any right or option to enter into any such agreement or arrangement; and
 - (v) all monies now or at any time standing to the credit of the Rent Account; and
 - (vi) any share or membership rights in a residents' association or management company relating to the Property; and
 - (vii) any other benefits or rights of any kind now or at any time relating to the Property, its use, construction or title; and

the Building Contract.

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

4. Representations and Warranties

The Chargor represents and warrants to the Security Trustee in the terms set out in the Credit Agreement.

5. Restrictions on Dealing and Negative Pledge

The Chargor shall not without the prior written consent of the Security Trustee:

- (a) create or permit to subsist any Security Interest on or over any Charged Asset other than the Permitted Security;
- (b) sell, assign, convey, transfer or otherwise dispose of any Charged Asset or permit or enter into any agreement for any of the same to occur;

- (c) grant or agree to grant or accept the surrender of any lease of any Charged Asset; or
- (d) part with or share possession or occupation of the Property or grant any licence to occupy the Property or agree to do any such thing.

6. Undertakings

6.1 The Chargor shall keep (subject as hereinafter provided) the Property and all other Charged Assets which are of an insurable nature insured:

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

Provided that if the Building Contract subsists then the Borrower shall procure (in substitution for the foregoing provisions of this Clause 6.1) that the Property is insured by the Building Contractor in its name and that of the Chargor and with the Security Trustee noted as mortgagee and first loss payee (or if the Security Trustee so requests as composite insured with the Chargor) and otherwise in accordance with the provisions of the Building Contract.

6.2 The Chargor shall:

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

6.3 The Chargor shall put and keep:

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

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

6.4 Save for the carrying out of the Development the Chargor shall not without the prior written consent of the Security Trustee:

- (a) demolish, pull down or remove any building, installation, structure or fixture on the Property or permit the same to occur; or
- (b) erect any building, installation or structure on the Property or make any material alteration to or change of use of the Property, or permit any of the same to occur,

if, in any case, such action would have an Adverse Property Effect.

- 6.5 The Chargor shall (to the extent applicable) pay all rents and outgoings and perform all covenants, agreements and obligations in respect of the Property.
- 6.6 The Chargor shall comply in all respects with the provisions of all statutes and subordinate legislation (including, but not limited to, those relating to planning and environmental matters) which apply to the Property or any other Charged Asset or to any business for the time being carried on at the Property.
- 6.7 When the Property is subject to any lease or occupational licence the Chargor shall:
 - (a) enforce the due performance and observance of all obligations of all other parties to any such lease or licence; and
 - (b) not waive, release or vary any of the terms of any such lease or licence, or grant any consent under the provisions or in respect of any such lease or licence, or accept the surrender of or exercise any power or commence any proceedings to forfeit or otherwise to determine any such lease or licence, or re-enter the relevant premises or agree to do any such thing, in each case without the prior written consent of the Security Trustee.
- 6.8 The Chargor shall not without the prior written consent of the Security Trustee elect to waive exemption from VAT in relation to the Property.
- 6.9 If requested by the Security Trustee the Chargor shall promptly give notice to any person who is a party to a document or proceeding involving the Chargor the benefit of which is assigned or charged to the Security Trustee under this Deed of the Security Trustee's interest in the relevant Charged Asset and shall use its reasonable endeavours to procure that such person acknowledges receipt of such notice.
- 6.10 The Chargor shall deposit with the Security Trustee all deeds and documents of title relating to the Property and all insurance policies relating to the Charged Assets.
- 6.11 The Chargor shall promptly supply to the Security Trustee copies of any requirement or notice served or given by any competent authority relating to the Property and if requested by the Security Trustee, join with the Security Trustee in agreeing or objecting to anything proposed in relation to the Property.
- 6.12 Where the Property at any time is or includes premises in respect of which an authorisation, permit, registration certificate or licence of any kind (a "Permit") is in force, whether under the Licensing Act 2003 or any other legislation, the Chargor shall take all necessary steps to ensure the renewal or continuation of any Permit and not do or allow to happen anything which might adversely affect any such Permit.
- 6.13 The Security Trustee may remedy any breach of any provision of this Clause 6 in any manner it may decide and may enter the Property with its advisers, contractors, equipment and materials to remedy such breach. The Security Trustee shall not by doing so become a mortgagee in

possession. The Security Trustee may recover from the Chargor on demand all reasonable expenses incurred and money spent in doing so, which shall form part of the Secured Obligations and shall carry interest at the rate specified in Clause 12.3.

- 6.14 The Security Trustee may (following an Event of Default) enter the Property with its advisers, contractors, equipment and materials at reasonable times during the day to inspect and survey the Property and any plant and machinery on the Property and carry out any environmental survey in respect of the Property. The Security Trustee shall not by doing so become a mortgagee in possession. The Security Trustee may recover from the Chargor on demand all reasonable expenses incurred and money spent in doing so, which shall form part of the Secured Obligations and shall carry interest at the rate specified in Clause 12.3.
- 6.15 The Chargor shall provide on request any information and/or documentation which is from time to time requested by the Security Trustee in connection with the Development.
- 6.16 The Chargor shall allow the Security Trustee to enter upon the Property upon reasonable prior notice (except in case of emergency) with its advisers or others in order to inspect and survey the Development.
- 6.17 The Chargor shall not enter into any sale agreement or other agreement or deed in respect of the Property without the prior written approval of the Security Trustee (acting reasonably).
- 6.18 The Chargor shall properly discharge all duties of care and responsibilities placed upon the Chargor by Environmental Law and observe and perform all the requirements of Environmental Law both in the conduct of its general business and in the management possession or occupation of the Property and shall apply for and obtain all authorisations, licences and consents necessary to ensure that it does not breach Environmental Law.

For the purposes of this sub-clause 6.18 the following expressions have the following meanings:-

1. **"Environment"** means humans, animals, plants and all other living organisms including the ecological systems of which they form part and the following media:-

- (a) air (including, but not limited to, air within natural or man-made structures whether above or below ground);
- (b) water (including, but not limited to, territorial, coastal and inland waters, water under or within land and water in drains and sewers); and
- (c) land (including, but not limited to, land under water).

"Environmental Law" means any applicable law or regulation which relates to:-

- (a) the pollution or protection of the Environment;
- (b) the conditions of the workplace; or
- (c) the generation, handling, storage, use, release or spillage of any substance which alone or in contribution with any other is capable of causing harm to the Environment including but not limited to any waste.

- 6.19 To the extent that this has not occurred prior to the date of this deed to satisfy any conditions to the Applicable Planning Permission which should be satisfied prior to the commencement of any development on the Property (pursuant to such Applicable Planning Permission) and to satisfy as soon as practicable any conditions to the Applicable Planning Permission which need to be

satisfied prior to any occupation of the Development once completed and otherwise to carry out the Development in accordance with any other conditions to the Applicable Planning Permission and to provide evidence on request of compliance or ongoing compliance with this clause.

7. When Security Becomes Enforceable

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

8. Enforcement of Security

- 8.1 The Security Trustee is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees, except that section 103 of the Act does not apply. In addition, to the fullest extent permitted by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law upon a Receiver of the Charged Assets may after the security created by this Deed becomes enforceable be exercised by the Security Trustee without first appointing a Receiver or notwithstanding the appointment of a Receiver.
- 8.2 The statutory powers of leasing conferred on the Security Trustee are extended so as to authorise the Security Trustee to lease, make agreements for leases, and accept surrenders of leases as the Security Trustee may think fit and without the need to comply with any provision of Sections 99 or 100 of the Act, and may be exercised by the Security Trustee at any time after the security constituted by this Deed has become enforceable.
- 8.3 Neither the Security Trustee nor any Receiver shall be liable, by reason of entering into possession of the Charged Assets, to account as mortgagee in possession. If the Security Trustee or any Receiver shall take possession of the Charged Assets it or he may at any time go out of possession.
- 8.4 No person dealing with the Security Trustee or a Receiver will be concerned to enquire whether the Secured Obligations have become payable, or any power which the Security Trustee or the Receiver is purporting to exercise has become exercisable, or any money remains due to the Security Trustee, or how any money paid to the Security Trustee or to the Receiver is to be applied.
- 8.5 At any time after the security constituted by this Deed has become enforceable, the Security Trustee may redeem any prior Security Interest against any Charged Asset, and/or procure the transfer of that Security Interest to itself and/or settle and pass the accounts of the prior mortgagee, chargee or encumbrancer. Any accounts so settled and passed shall be conclusive and binding on the Chargor. All principal moneys, interest, costs, charges and expenses of and incidental to any such redemption and/or transfer shall be paid by the Chargor to the Security Trustee on demand and form part of the Secured Obligations.
- 8.6 Neither the Security Trustee nor its agents, managers, officers, employees, delegates and advisers nor any Receiver shall be liable to any claim, liability, loss, damage or cost incurred or arising in connection with the exercise or purported exercise of any right, power or discretion under this Deed in the absence of gross negligence or wilful misconduct.

8.7 For the purposes of all powers implied by statute or arising by law, the Secured Obligations are deemed to have become due on the date of this Deed.

8.8 Section 103 and section 93 of the Act do not apply to the security constituted by this Deed.

8.9 The power to appoint a Receiver pursuant to Clause 9.1 is in addition to the power to appoint a Receiver under section 101(1)(iii) of the Act. Section 109(1) of the Act does not apply to this Deed.

8.10 The Security Trustee or any Receiver may at any time after the security constituted by this deed has become enforceable remove or dispose of any chattels on the Property as agent for the Chargor and, without prejudice to an obligation by the Security Trustee and any Receiver to account for the net proceeds of any sale of the chattels, the Chargor shall indemnify the Security Trustee and any Receiver against any liability arising from such disposal.

9. Receiver

9.1 At any time after the security constituted by this Deed becomes enforceable, or if the Chargor so requests the Security Trustee in writing at any time, the Security Trustee may without further notice appoint by deed or in writing under its hand any one or more persons to be a Receiver of all or any part of the Charged Assets.

9.2 If a Receiver is appointed of part of the Charged Assets the Security Trustee may subsequently extend the appointment to all or any other part of the Charged Assets or appoint another Receiver of any other part of the Charged Assets.

9.3 The Security Trustee may by writing under its hand remove any Receiver appointed by it, and whenever it deems it expedient, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

9.4 The Security Trustee may fix the remuneration of any Receiver appointed by it.

9.5 If at any time any two or more persons appointed by the Security Trustee hold office as Receivers of the same assets or income, each of them may (unless otherwise stated in the instrument(s) appointing them) exercise all powers and discretions conferred on Receivers by this Deed individually and to the exclusion of the other or others of them.

9.6 Each Receiver is deemed to be the agent of the Chargor. The Chargor alone is responsible for his remuneration and for the contracts, engagements, acts, omissions, defaults and losses of and for liabilities incurred by any Receiver.

10. Powers of Receiver

10.1 Every Receiver has (subject to any limitations or restrictions expressed in the instrument appointing him) all the rights powers and discretions conferred by the Act on receivers appointed under the Act and conferred on receivers or administrative receivers by the Insolvency Act 1986, or otherwise conferred by any law.

10.2 In addition, and without limiting Clause 10.1, every Receiver shall (notwithstanding any winding-up, administration or dissolution of the Chargor) have power to:

- (a) take possession of, collect and get in the Charged Assets, including (but not limited to) all rents and other income;

- (b) comply with and perform all of the undertakings and covenants of the Chargor contained in this Deed;
- (c) repair, decorate, maintain, furnish, alter or improve the Charged Assets;
- (d) commence and/or complete any building operations or development on the Property and apply for and obtain any planning permissions, building regulation approvals and any other permissions, consents or licences, and may appoint and enter into contracts with building and engineering contractors or other contractors or professional advisors, in each such case as he may think fit;
- (e) borrow money either unsecured or on the security of the Charged Assets (either in priority to the security constituted by this Deed or otherwise) and generally on such terms as he may think fit;
- (f) provide such facilities and services for tenants and other occupiers and generally manage the Charged Assets in such a manner as he may think fit;
- (g) if the Property is leasehold, vary the terms of or surrender the lease and/or take a new lease of the Property on such terms as he may think fit. Any such new lease shall automatically be charged to the Security Trustee on the terms of this Deed so far as applicable, but a Receiver shall if requested by the Security Trustee execute a formal legal charge over such new lease in favour of the Security Trustee in such form as the Security Trustee may require;
- (h) sell, exchange, or otherwise convert into money or realise or dispose of the Charged Assets either by public auction or private contract or in any other manner, and generally in such manner and on such terms and conditions and for such consideration as he may think fit. Fixtures and fittings may be severed and sold separately from the Property;
- (i) let the Property for any term and at any rent, with or without a premium, and otherwise on such terms and conditions as he may think fit;
- (j) vary, terminate, renew, or accept surrenders of any lease or licence of or rights over the Property, with or without a premium to or by any tenant or other person, and generally in such manner and on such terms as he may think fit;
- (k) grant any consent or licence, serve any notice, and initiate and/or agree any rent review, in relation to any lease of the Property;
- (l) carry any sale, letting or other disposal into effect by transferring, letting or otherwise making such disposal in the name of the Chargor on and behalf of the Chargor and for that purpose may execute any deed, receipt or other document;
- (m) bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to the Charged Assets as he may think fit;
- (n) enter into, perform, repudiate, rescind, rectify or vary contracts, covenants, commitments, guarantees and similar matters in relation to the Charged Assets;
- (o) settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands relating in any way to the Charged Assets or to any

lease of the Property or to any covenant, condition or restriction affecting to the Property;

- (p) make any arrangement or compromise, allow time for payment or enter into, abandon, cancel or disregard any contracts or rights as he may think expedient;
- (q) effect such insurances of or in connection with the Charged Assets as he thinks fit;
- (r) engage or employ or dismiss managers, officers, contractors, agents, servants, workmen and others for any of the purposes referred to in this Clause 10 upon such terms as he may think fit;
- (s) do all other acts and things which he may consider to be necessary or desirable for realising any Charged Asset or incidental or conducive to any of the rights, powers and discretions conferred on a Receiver by this Deed; and
- (t) exercise in relation to the Charged Assets all powers, authorities and things which he could exercise if he were the absolute beneficial owner of the Charged Assets.

11. Application of Proceeds

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

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

12. Expenses

- 12.1 All costs, fees, taxes and expenses incurred by the Security Trustee or any Receiver (including all amounts from time to time required by the Security Trustee to compensate it, following an Event of Default, for its internal management time) under or in connection with this Deed or its enforcement and/or the preservation of the Security Trustee's rights under the Deed shall be reimbursed by the Chargor to the Security Trustee on demand on a full indemnity basis and shall form part of the Secured Obligations.
- 12.2 The Chargor shall indemnify following an Event of Default and enforcement by the Security Trustee of any of its rights under this Deed the Security Trustee and any Receiver against all liabilities, claims and expenses (including, but not limited to, any liability of the Security Trustee or any Receiver in respect of any environmental matter) in connection with this Deed or for anything done or omitted to be done in the exercise or purported exercise of their powers pursuant to this Deed.
- 12.3 All monies costs and expenses payable by the Chargor under Clauses 6.2 or 6.3 or under this Clause 12 shall form part of the Secured Obligations and if unpaid shall bear interest (both before and after judgment) from the date paid or incurred by the Security Trustee or any Receiver until the date of payment or discharge by the Chargor at a rate equal to any default rate

specified in any loan or facility or other agreement between the Chargor and the Security Trustee (or if no such rate is specified at a rate four per cent per annum above the base rate of Barclays Bank PLC).

12.4 The Chargor shall pay on demand all stamp, documentary, registration and other similar duties and taxes payable in connection with the entry into, performance or enforcement of this Deed and shall indemnify the Security Trustee against any liabilities resulting from any delay or failure by the Chargor in making such payment.

12.5 Where this Deed requires the Chargor to re-imburse the Security Trustee for any costs or expenses the Chargor shall at the same time pay and indemnify the Security Trustee against all Value Added Tax (or any tax of a similar nature) incurred by the Security Trustee in respect of the costs and expenses to the extent that the Security Trustee determines that it is not entitled to credit or repayment of the Value Added Tax (or any tax of a similar nature).

13. Further Assurances

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

14. Power of Attorney

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

15. Miscellaneous

15.1 The security constituted by this Deed is continuing and extends to the ultimate balance of all the Secured Obligations, regardless of any intermediate payment or discharge in whole or in part.

15.2 This Deed is in addition to and is not in any way prejudiced by any other Security Interest now or subsequently held by the Security Trustee for any of the Secured Obligations.

15.3 If the Security Trustee receives, or is deemed to be affected by, notice of any subsequent Security Interest or other interest affecting any Charged Asset the Security Trustee may open a new account for the Chargor. If the Security Trustee does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice. As from that time all payments made to the Security Trustee will be credited or be treated as having been credited to the new account and will not operate to reduce any amount for which this Deed is security.

- 15.4 All payments made by the Chargor to the Security Trustee under this Deed shall be paid in full without set-off or counterclaim and without any deduction or withholding or payment for or on account of any present or future tax, levy, duty, impost or other charge or withholding of a similar nature. If the Chargor is required by law to make any such deduction or withholding or payment the Chargor shall immediately pay to the Security Trustee such additional amount as will result in the immediate receipt by the Security Trustee of the full amount which would otherwise have been received had no such deduction or withholding or payment been made.
- 15.5 The Security Trustee may set off any matured obligation owed by the Chargor to the Security Trustee against any obligation (whether or not matured) owed by the Security Trustee to the Chargor regardless of the place of payment, or currency of either obligation. If the obligations are in different currencies, the Security Trustee may convert either obligation at a market rate of exchange for the purpose of the set-off in an amount estimated by it in good faith to be the amount of that obligation.
- 15.6 No delay or omission of the Security Trustee in exercising any right or remedy under this Deed shall impair or waive such right or remedy, nor shall any single or partial exercise of any right or remedy preclude its further exercise or the exercise of any other right or remedy. The Security Trustee's rights and remedies under this Deed are cumulative and not exclusive of any rights or remedies provided by law and may be waived only in writing and specifically.
- 15.7 Any provision of this Deed which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Deed or affecting the validity or enforceability of such provision in any other jurisdiction.
- 15.8 A certificate or determination by the Security Trustee of the amount of the Secured Obligations outstanding at any time or of any other amount is, in the absence of manifest error, conclusive evidence for all purposes of this Deed as against the Chargor.
- 15.9 Monies received, recovered or realised by the Security Trustee under this Deed may in its discretion be held in an interest bearing suspense account until applied by the Security Trustee in or towards the discharge of the Secured Obligations.
- 15.10 The Chargor applies to the Chief Land Registrar for a restriction in the following terms to be entered on the Register of Title relating to the Property:
- "No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [date] in favour of Assetz Capital Trust Company Limited referred to in the charges register."
- 15.11 It is intended that this document take effect as a deed notwithstanding the fact that (if executed by the Security Trustee) the Security Trustee may only execute this document under hand.
- 15.12 This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.
- 15.13 The terms of any agreement relating to the Secured Obligations and of any side letter between the parties to this Deed are incorporated in this Deed to the extent required to ensure that any purported disposition of or purported agreement to dispose of any freehold, leasehold or other immovable property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

- 15.14 A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.
- 15.15 The Security Trustee covenants with the Chargor to perform its obligations under the (including any obligations to make available further advances) Credit Agreement. The Chargor applies and agrees that the Security Trustee may apply to the Chief Land Registrar (by submitting a form CH2 or otherwise) to enter the obligation to make further advances contained in this Clause on the register or registers of title relating to the Property.
- 15.16 The Chargor certifies that this Deed does not contravene the Chargor's Memorandum and Articles of Association or other constitutive documents of the Chargor.
- 15.17 The Security Trustee may, at any time after this Deed has become enforceable, redeem or transfer to itself, or may procure the redemption or the transfer to itself of any prior security against the Charged Assets and may settle and pass the accounts of the prior charge (which shall be binding on the Chargor) all principal monies, interest, costs, charges and expenses of and incidental to such redemption or transfer shall be paid by the Chargor to the Security Trustee on demand.
- 15.18 This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

16. Benefit of this Deed

- 16.1 This Deed shall bind and enure to the benefit of the Chargor and the Security Trustee and the Agent and their respective successors.
- 16.2 The Security Trustee may assign or transfer all or any part of its rights, and/or obligations under this Deed without the consent of the Chargor. The Chargor shall enter into any documents specified by the Security Trustee to be necessary to give effect to such assignment or transfer.
- 16.3 The Chargor may not assign or transfer all or any part of its rights and/or obligations under this Deed.
- 16.4 The Agent has joined into this deed in order to gain the benefit of the provisions of clause 15 (Credit Agreement).
- 16.5 The Security Trustee holds the benefit of the security created by this Deed and any monies from time to time realised from any enforcement of the same or otherwise arising under this Deed upon trust for itself and the Lending Syndicate Members.

17. Notices

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

Address: 235 Long Lane, Uxbridge, England UB10 9JP

Fax: (Not used)

Electronic address:

or any substitute address and fax number as the Chargor may notify to the Security Trustee by not less than 5 days written notice. Any such notice, demand or other communication shall also

be effective if sent to the Chargor's registered office or the address of the Chargor last known to the Security Trustee.

- 17.2 Any such notice or demand may be given or made by letter delivered personally or by first class prepaid letter (airmail if overseas) or by fax and shall be effective in the case of a fax when received in legible form or in the case of a letter, when it has been left at the relevant address or on the following day after being deposited in the post prepaid.

18. Governing Law

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

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

The Schedule

The Property

1. The following freehold property together in each case with any building structures from time to time thereon:-
 - 1.1 The freehold property comprising 117, 117a, 119 and 119a East Dulwich Grove, London SE22 8PU and comprised within title number SGL372605 at the Land Registry.
 - 1.2 The leasehold property comprising 117 East Dulwich Grove, London SE22 8PU and comprised within title number TGL309678 at the Land Registry.
 - 1.3 The leasehold property comprising 117a East Dulwich Grove, London SE22 8PU and comprised within title number TGL181094 at the Land Registry.
 - 1.4 The leasehold property comprising 119 East Dulwich Grove, London SE22 8PU and comprised within title number TGL307397 at the Land Registry.
 - 1.5 The leasehold property comprising 119a East Dulwich Grove, London SE22 8PU and comprised within title number SGL420259 at the Land Registry.

Signatories

The Chargor

EXECUTED as a **DEED** by **ORCHARD HOMES GROUP LIMITED** acting by:

.....

Director

IN THE PRESENCE OF

.....

Secretary

D. SAMSON
65 WOODBURNES LANE
CROFTON
CV1 4EN

The Security Trustee

EXECUTED as a **DEED** by **ASSETZ CAPITAL TRUST COMPANY LIMITED** acting by an authorised signatory in the presence of:

.....
Authorised Signatory

Signature of witness:

Name of witness:

Address:

Occupation: