

## LOAN AGREEMENT

This agreement is dated 1st August 2011

### PARTIES

TURNER ENTERPRISES LIMITED OF 48 PAPYRUS ROAD  
WERRINGTON PETERBOROUGH PE4 5BH(THE BORROWER)

and

TURNER ENTERPRISES LIMITED RETIREMENT BENEFIT PLAN  
OF DOVE HOUSE HALL LANE WERRINGTON PETERBOROUGH  
PE4 6RA(THE LENDER)

The Lender has agreed to provide the Borrower with a secured loan of **£120,000**, such loan to be secured by a first charge over property situated at

21 CEDAR DRIVE BOURNE LINCOLNSHIRE PE10 9SQ

This property is currently valued at **£225,000**

The amount of **£120,000** has today been paid by the Lender to the Borrower.

The Borrower shall pay interest on the loan at the rate of **3%** above clearing bank base rate(currently 0.5%), such interest to be calculated and paid annually on the anniversary of the loan.

The Borrower shall repay the loan in 5 equal annual instalments of **£24,000** each on the anniversary of the loan the first repayment to be made on **1st August 2012**

The Borrower may repay the loan in full at any time during the 5 year loan period. If such event occurs interest will be calculated from the date interest was last due to the date of loan repayment and must be paid at the same time that the loan is repaid.

The Borrower agrees that the loan shall be immediately repayable should any of the following events occur:

1/ The Borrower is in breach of any of the conditions of this agreement  
or

2/The borrower becomes insolvent or ceases to trade.

The Borrower agrees that it will apply the loan for commercial purposes and not for the benefit of the members of the Lender or any person connected with them.

Signed by the parties to this agreement;

**For Turner Enterprises Ltd**



Geoffrey Turner

Director

Date 1st AUGUST 2011



Matthew Turner

Secretary

Date

**For Turner Enterprises Ltd Retirement Benefit Plan.**

We the Managing Trustees confirm that the terms of this loan have been approved by us acting in accordance with the powers of investment as conferred by the Trust Deed.



Geoffrey Turner

Managing Trustee

Date 1st AUGUST 2011

Jacqueline Turner

Managing Trustee

Date



ROYTHORNES LLP

DATED 1<sup>st</sup> AUGUST 2011

**TURNER ENTERPRISES LIMITED RETIREMENT BENEFIT FUND**

**- and -**

**EDGAR TURNER**

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**LEGAL CHARGE**

**- over -**

**21 CEDAR DRIVE BOURNE LINCOLNSHIRE PE10 9SQ**

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PLT/CLS/TUR - Legal Charge

THE MALTINGS  
HIGH STREET, BURWELL  
CAMBRIDGESHIRE  
CB25 0HB

TELEPHONE : 01638 744620

ENTERPRISE WAY  
PINCHBECK, SPALDING  
LINCOLNSHIRE  
PE11 3YR

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DEAN'S COURT  
10 MINSTER PRECINCTS  
PETERBOROUGH  
PE1 1XS

TELEPHONE : 01733 558585

10 - 12 THE ROPEWALK  
NOTTINGHAM  
NG1 5DT

TELEPHONE : 0115 9484555

**THIS LEGAL CHARGE** is dated **1<sup>st</sup> August 2011**

## **PARTIES**

- (1) **EDGAR TURNER of 21 CEDAR DRIVE BOURNE LINCOLNSHIRE PE10 9SQ (the Mortgagor).**
- (2) The persons whose names and addresses are set out in Schedule 1 hereto, as the trustees of the **TURNER ENTERPRISES LIMITED RETIREMENT BENEFIT PLAN (the Trustees).**
- (3) **TURNER ENTERPRISES LIMITED** incorporated and registered in England and Wales with company number 01660216 whose registered office is at 48 Papyrus Road, Werrington, Peterborough, PE4 5BH (**The Company**).

## **BACKGROUND**

- (A) The Trustees have agreed pursuant to the Loan Agreement attached to provide the Company with a loan of **£120,000 (Loan).**
- (B) The Mortgagor is the owner and occupier of the Property.
- (C) This legal charge provides security which the Mortgagor has agreed to give the Trustees for the Loan Agreement.

## **AGREED TERMS**

### **1 DEFINITIONS AND INTERPRETATION**

#### **1.1 Definitions**

The definitions and rules of interpretation in this clause apply in this legal charge.

**Advance:** means the Loan and any other sums loaned to the Company pursuant to the Loan Agreement.

**Business Day:** a day other than a Saturday, a Sunday or a bank holiday.

**Costs:** all costs, charges, expenses, taxes and liabilities of any kind, including (without limitation) costs and damages in connection with litigation, professional fees, disbursements and any VAT charged on Costs which the

Trustees or any Receiver or Delegate may charge or incur in relation to this legal charge, the Property or breach of any provision of this legal charge by the Mortgagor.

**Delegate:** any person appointed by the Trustees or any Receiver pursuant to clause 2 and any person appointed as attorney of the Trustees, Receiver or Delegate.

**Encumbrance:** any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.

**Event of Default:** means any of the events set out in clause 11.

**Loan:** means the sum of £120,000 now advanced by the Trustees to the Company (the receipt of which sum the Company hereby acknowledges).

**LPA:** the Law of Property Act 1925.

**Property:** the freehold property at 21 Cedar Drive Bourne Lincolnshire

**Receiver:** a receiver and/or manager of any or all of the Property.

**Secured Liabilities:** all present and future monies, obligations and liabilities owed by the Company to the Trustees, whether actual or contingent and whether owed jointly or severally, as principal or surety and/or in any other capacity, under or in connection with the Loan Agreement or this legal charge (including, without limitation, those arising under clause 19.3.2) together with all interest (including, without limitation, default interest) accruing in respect of such monies or liabilities.

**Security Period:** the period starting on the date of this legal charge and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.

**VAT:** value added tax.

## 1.2 Interpretation

In this legal charge:

- 1.2.1 A reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force for the time being, taking account of any amendment or re-enactment or extension and includes any former statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.2.2 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders and words in the singular shall include the plural and in the plural include the singular.
- 1.2.3 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, unless the context otherwise requires.
- 1.2.4 A reference to this **legal charge** (or any provision of it) or any other document shall be construed as a reference to this legal charge, that provision or that document as it is in force for the time being and as amended in accordance with its terms or with the agreement of the relevant parties.
- 1.2.5 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 any person.
- 1.2.6 A reference to an **amendment** includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly).
- 1.2.7 Clause, Schedule and paragraph headings shall not affect the interpretation of this legal charge.

### 1.3 **Clawback**

If the Trustees consider that an amount paid by the Company in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Company or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this legal charge.

### 1.4 **Law of Property (Miscellaneous Provisions) Act 1989**

For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Loan Agreement are incorporated into this legal charge.

1.5 **Third party rights**

A third party (being any person other than the Mortgagor, the Company, the Trustees and its permitted successors and assigns, any Receiver and any Delegate) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce, or to enjoy the benefit of, any term of this legal charge.

## **1.6 Perpetuity Period**

If the rule against perpetuities applies to any trust created by this deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

## **2 COVENANT TO PAY**

### **2.1 Payment of Secured Liabilities**

The Mortgagor shall pay to the Trustees and discharge the Secured Liabilities when they become due.

2.2 Notwithstanding any other provision in this deed it is expressly agreed and understood that the sole recourse of the Trustees to the Mortgagor under this deed is to the Mortgagor's interest in the Property.

## **3 GRANT OF SECURITY**

### **3.1 Legal mortgage and fixed charges**

As a continuing security for the payment and discharge of the Secured Liabilities, the Mortgagor with full title guarantee charges to the Trustees:

3.1.1 by way of first legal charge, the Property; and

3.1.2 by way of first fixed charge:

3.1.2.1 all its rights in any policies of insurance relating to the Property, including the proceeds of any claims under such policies;

### **3.2 Assignment**

As a continuing security for the payment and discharge of the Secured Liabilities, the Mortgagor with full title guarantee assigns to the Trustees all his rights in any policies of insurance relating to the Property, including the proceeds of any claims under such policies provided that nothing in this clause 3.2 shall constitute the Trustees as mortgagee in possession.

## **4 PERFECTION OF SECURITY**

### **4.1 Registration of legal charge at the Land Registry**



The Mortgagor consents to an application being made by the Trustees to the Land Registrar for the following restriction in Form P to be registered against its title to the Property:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated 1<sup>st</sup> August 2011 in favour of Turner Enterprises Limited Retirement Benefit Plan referred to in the charges register.  
"

#### **4.2 First registration**

The Mortgagor shall ensure that no person (other than itself) shall be registered under the Land Registration Act 2002 as the proprietor of all or any part of the Property, without the prior written consent of the Trustees.

#### **4.3 Cautions against first registration and notices**

Whether or not title to the Property is registered at the Land Registry, if any caution against first registration or any notice (whether agreed or unilateral) is registered against the Mortgagor's title to the Property, the Mortgagor shall immediately provide the Trustees with full particulars of the circumstances relating to such caution or notice. If such caution or notice was registered to protect a purported interest the creation of which is not permitted under this legal charge, the Mortgagor shall immediately, and at his own expense, take such steps as the Trustees may require to ensure that the caution or notice, as applicable, is withdrawn or cancelled.

### **5 LIABILITY OF THE COMPANY**

#### **5.1 Liability not discharged**

The Mortgagor's liability under this legal charge in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

- 5.1.1 any security, guarantee, indemnity, remedy or other right held by, or available to, the Trustees that is or becomes wholly or partially illegal, void or unenforceable on any ground; or

- 5.1.2 the Trustees 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
- 5.1.3 any other act or omission, which but for this clause 5.1 might have discharged, or otherwise prejudiced or affected, the liability of the Mortgagor.
- 5.1.4 any insolvency, bankruptcy, liquidation, administration, winding up, incapacity, limitation, disability, the discharge by operation of law, or any change in the constitution, name or style of the Company, the Mortgagor or any other person;
- 5.1.5 any invalidity, illegality, unenforceability, irregularity or frustration of any actual or purported obligation of, or Encumbrance held from, the Company, the Mortgagor or any other person in connection with the Secured Liabilities;
- 5.1.6 any claim or enforcement of payment from the Company, the Mortgagor or any other person; or
- 5.1.7 any other act or omission which would not have discharged or affected the liability fo the Mortgagor had he been a principal debtor or by anything done or omitted by any person which but for this provision, might operate to exonerate or discharge the Mortgagor or otherwise reduce or extinguish its liability under this deed.

## 5.2 **Immediate recourse**

The Mortgagor waives any right he may have to require the Trustees:

- 5.2.1 to take any action or obtain judgment in any court against the Company or any other person;
- 5.2.2 to make or file any claim in a bankruptcy, liquidation, administration or insolvency of the Company or any other person; or

- 5.2.3 to make demand, enforce or seek to enforce any claim, right or remedy against the Company or any other person, before taking steps to enforce any of his rights or remedies under this deed.

**6 COVENANTS**

The Mortgagor covenants with the Trustees in the terms set out in Schedule 3.

**7 POWERS OF THE TRUSTEES**

The Trustees shall have the powers set out in Schedule 4.

**8 ENFORCEMENT**

**8.1 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 LPA (as varied or extended by this legal charge) shall be immediately exercisable at any time after the occurrence of an Event of Default.

## **8.2 When statutory powers arise**

Section 103 of the LPA shall not apply to this legal charge and the statutory power of sale and other powers given by section 101 of the LPA (as varied or extended by this legal charge) shall, as between the Trustees and a purchaser, arise on the execution of this legal charge and be exercisable at any time after such execution, but the Trustees shall not exercise such power of sale until the security constituted by this legal charge has become enforceable under clause 8.1.

## **8.3 Enforcement of security**

After the security constituted by this legal charge has become enforceable, the Trustees may in their absolute discretion enforce all or any part of that security at the times, in the manner and on the terms they think fit and take possession of and hold or dispose of all or any part of the Property.

## **8.4 Extension of statutory powers of leasing**

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

## **8.5 Privileges**

Each Receiver and the Trustees are entitled to all the rights, powers, privileges and immunities conferred by the LPA on mortgagees and receivers.

## **8.6 No liability as mortgagee in possession**

Neither the Trustees, any Receiver nor any Delegate shall be liable to account as mortgagee in possession in respect of all or any of the 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 Property for which a mortgagee in possession might be liable as such.

**8.7 Relinquishing possession**

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

**9 EVENTS OF DEFAULT**

**9.1 Non-Payment**

The Company fails to pay any sum payable by it under the Facility Agreement when due, unless its failure to pay is caused solely by an administrative error or technical problem and payment is made within three Business Days of its due date; or

**9.2 Non-Compliance**

The Company fails (other than a failure to pay) to comply with any provision of the Facility Agreement or this legal charge and (if the Trustees consider, acting reasonably, that the default is capable of remedy) such default is not remedied within 14 days of the earlier of:

9.2.1 the Trustees notifying the Company of the default and the remedy required; and

9.2.2 the Company becoming aware of the default.

**9.3 Misrepresentation**

Any representation, warranty or statement made, repeated or deemed made by the Company in, or pursuant to, the Facility Agreement and/or this legal charge which is (or proves to have been) incomplete, untrue, incorrect or misleading when made, repeated or deemed made.

**9.4 Cessation of the Business**

- The Company suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business.
- 9.5 The Company stops or suspends payment of any of its debts or is unable to, or admits its inability to pay its debts as they fall due.
- 9.6 The Company commences negotiations, or enters into any composition, compromise, assignment or arrangement, with one or more of its creditors with a view to rescheduling any of its debts (because of actual or anticipated financial difficulties).
- 9.7 A moratorium is declared in respect of any debts of the Company.
- 9.8 Any action, proceedings, procedure or step is taken in relation to:
- 9.8.1 the suspension of payments, a moratorium of any indebtedness, winding up, dissolution, administration or reorganisation (using a voluntary arrangement, scheme of arrangement or otherwise) of the Company; or
- 9.8.2 the composition, compromise, assignment or arrangement with any creditor of the Company; or
- 9.8.3 the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Company or any of its assets.
- 9.9 The value of the Company's assets is less than its liabilities (taking into account contingent and prospective liabilities).
- 9.10 A distress, attachment, execution, expropriation, sequestration or other analogous legal process is levied, enforced or sued out on, or against, the Company assets and is not discharged or stayed within 21 days.
- 9.11 Any of the events of default listed in the Facility Agreement.

## 10 **RECEIVERS**

### 10.1 **Appointment and removal of a Receiver**

At any time after the security constituted by this legal charge has become enforceable or at the request of the Mortgagor, the Trustees may, without further notice:

- 10.1.1 appoint under seal or in writing, by a duly authorised officer of the Trustees, any one or more person or persons to be a receiver or a receiver and manager, of all or any part of the Property; and
- 10.1.2 (subject to section 45 of the Insolvency Act 1986) from time to time, under seal or in writing, by a duly authorised officer of the Trustees, 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 Trustees specifies to the contrary).

## 10.2 **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 Trustees under the Insolvency Act 1986, the LPA or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA.

## 10.3 **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 Trustees despite any prior appointment in respect of all or any part of the Property.

## 10.4 **Remuneration of a Receiver**

The Trustees may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 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 Trustees.

# 11 **POWERS AND CAPACITY OF A RECEIVER**

## 11.1 **Powers of a Receiver**

Any Receiver appointed by the Trustees under this legal charge shall, in addition to the powers conferred on him by the LPA and the Insolvency Act 1986, have the powers set out in Schedule 5.

## 11.2 **Scope of Receiver's powers**

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

## 11.3 **Receiver is agent of the Mortgagor**

Any Receiver appointed by the Trustees under this legal charge shall be the agent of the Mortgagor and the Mortgagor 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 the Mortgagor becomes bankrupt and after that the Receiver shall act as principal and shall not become the agent of the Trustees.

## 12 **DELEGATION**

Each of the Trustees 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 under clause 16.1). Any such delegation may be made upon such terms and conditions (including the power to sub-delegate) as the Trustees or any Receiver shall think fit. Neither the Trustees nor any Receiver shall be in any way liable or responsible to the Mortgagor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

## 13 **APPLICATION OF PROCEEDS**

### 13.1 **Order of application**

All monies received by the Trustees, 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 LPA) be applied:

- 13.1.1 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;



- 13.1.2 second in paying the remuneration of any Receiver (as agreed between the Receiver and the Trustees);
- 13.1.3 third in or towards discharge of the Secured Liabilities in such order and manner as the Trustees determines; and
- 13.1.4 finally in paying any surplus to the Mortgagor or any other person entitled to it.

#### 13.2 **Appropriation**

Neither the Trustees, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA, 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 Liabilities.

### 14 **PROTECTION OF THIRD PARTIES**

#### 14.1 **Protection of third parties**

No purchaser, mortgagee or other person dealing with the Trustees or any Receiver or Delegate shall be concerned:

- 14.1.1 to enquire whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged, or whether the power the Trustees or a Receiver or Delegate is purporting to exercise has become exercisable; or
- 14.1.2 to see to the application of any money paid to the Trustees or any Receiver or Delegate.

#### 14.2 **Conclusive discharge to purchasers**

The receipt of the Trustees or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Property or in making any acquisition in the exercise of their respective powers, the Trustees, every Receiver and every Delegate may do so for such consideration, in such manner and on such terms as it or he thinks fit.

### 15 **COSTS AND INDEMNITY**

#### 15.1 **Costs**

The Mortgagor shall pay to, or reimburse, the Trustees and any Receiver on demand, on a full indemnity basis, all Costs incurred by the Trustees, any Receiver or Delegate in relation to:

- 15.1.1 this legal charge or the Property;
- 15.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Trustees's, Receiver's or Delegate's rights under this legal charge; and
- 15.1.3 suing for, or recovering, any of the Secured Liabilities,

(including, without limitation, the Costs of any proceedings in relation to this legal charge or the Secured Liabilities), together with interest from day to day until full discharge (whether before or after judgment, liquidation, winding-up or administration of the Company) at the rate and in the manner specified in the Loan Agreement. In the case of any Costs, such interest shall accrue and be payable as from the date on which the relevant Costs arose, without the need for any demand for payment being made.

#### 15.2 **Indemnity**

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

- 15.2.1 the exercise, or purported exercise, of any of the powers, authorities or discretions vested in them under this legal charge; or
- 15.2.2 any matter or thing done, or omitted to be done, in relation to the Property under those powers; or
- 15.2.3 any default or delay by the Mortgagor in performing any of its obligations under this legal charge.

## **16 POWER OF ATTORNEY**

### **16.1 Appointment of attorneys**

By way of security, the Mortgagor irrevocably appoints the Trustees, every Receiver and every Delegate separately to be the attorney of the Mortgagor and, in his name, on his behalf and as his act and deed, to execute any documents and do any acts and things which:

- 16.1.1 the Mortgagor is required to execute and do under this legal charge; and
- 16.1.2 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 Trustees, any Receiver or any Delegate.

### **16.2 Ratification of acts of attorneys**

The Mortgagor 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 16.1.

## **17 RELEASE**

Subject to clause 19.3, on the expiry of the Security Period (but not otherwise), the Trustees shall, at the request and cost of the Mortgagor, take whatever action is necessary to release the Property from the security constituted by this legal charge.

## **18 ASSIGNMENT AND TRANSFER**

### **18.1 Assignment by the Trustees**

The Trustees may not assign any of their rights, or transfer any of their obligations, under this legal charge or enter into any transaction which would result in any of those rights or obligations passing to another person without the prior written consent of the Mortgagor.

**19 FURTHER PROVISIONS**

- 19.1 This legal charge shall be in addition to, and independent of, every other security or guarantee which the Trustees may hold for any of the Secured Liabilities at any time. No prior security held by the Trustees over the whole or any part of the Property shall merge in the security created by this legal charge.
- 19.2 This legal charge shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Trustees discharges this legal charge in writing.
- 19.3 Any release, discharge or settlement between the Mortgagor and the Trustees shall be deemed conditional on no payment or security received by the Trustees in respect of the Secured Liabilities 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:
- 19.3.1 the Trustees or their 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 Property, for such period as the Trustees deems necessary to provide the Trustees with security against any such avoidance, reduction or order for refund; and
- 19.3.2 the Trustees may recover the value or amount of such security or payment from the Mortgagor subsequently as if such release, discharge or settlement had not occurred.
- 19.4 A certificate or determination by the Trustees as to any amount for the time being due to it from the Mortgagor shall (in the absence of any manifest error) be conclusive evidence of the amount due.

- 19.5 The rights and powers of the Trustees conferred by this legal charge are cumulative, may be exercised as often as the Trustees considers appropriate, and are in addition to its rights and powers under the general law.
- 19.6 Any waiver or variation of any right by the Trustees (whether arising under this legal charge or under the general law) shall only be effective if it is in writing and signed by the Trustees and applies only in the circumstances for which it was given, and shall not prevent the Trustees from subsequently relying on the relevant provision.
- 19.7 No act or course of conduct or negotiation by or on behalf of the Trustees shall, in any way, preclude the Trustees from exercising any right or power under this legal charge or constitute a suspension or variation of any such right or power.
- 19.8 No delay or failure to exercise any right or power under this legal charge shall operate as a waiver.
- 19.9 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.
- 19.10 The restriction on the right of consolidation contained in section 93 of the LPA shall not apply to this legal charge.
- 19.11 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.
- 19.12 This legal charge may be executed and delivered in any number of counterparts, each of which is an original and which together have the same effect as if each party had signed the same document.

## 20 **NOTICES**

20.1 Each notice or other communication required to be given under, or in connection with, this legal charge shall be in writing, delivered personally or sent by pre-paid first-class letter; and sent to the addresses as set out in the parties section of this agreement or to such other address as is notified in writing by one party to the other from time to time.

20.2 Any notice or other communication that the Trustees gives shall be deemed to have been received if given by hand, at the time of actual delivery; and if posted, on the second Business Day after the day it was sent by pre-paid first-class post.

A notice or other communication given on a day which is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

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

## **21 GOVERNING LAW AND JURISDICTION**

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

21.2 The parties to this legal charge irrevocably agree that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this legal charge or its subject matter or formation (including non-contractual disputes or claims).

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**  
**The Trustees**

Geoffrey Bernard Turner and Jacqueline Turner both of Dove House, Hall Lane,  
Werrington, Peterborough

**Schedule 2  
The Property**

**21 Cedar drive Bourne Lincolnshire PE10 9SQ**



### **Schedule 3**

#### **Covenants**

##### **1. INSURANCE**

- 1.1. The Mortgagor shall insure and keep insured the Property against:
  - 1.1.1. loss or damage by fire or terrorist acts;
  - 1.1.2. other risks, perils and contingencies that would be insured against by a reasonably prudent person; and
  - 1.1.3. any other risk, perils and contingencies as the Trustees may reasonably require.

Any such insurance must be with an insurance company or underwriters and on such terms as are reasonably acceptable to the Trustees and must be for not less than the replacement value of the Property (meaning in the case of any premises on the 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).

- 1.2. The Mortgagor shall, if requested by the Trustees, produce to the Trustees the policy, certificate or cover note relating to any such insurance required by paragraph 1.1 of this Schedule 3.
- 1.3. The Mortgagor shall, if requested by the Trustees, procure that a note of the Trustees' interest is endorsed upon each Insurance Policy maintained by it or any person on its behalf in accordance with paragraph 1.1 of this Schedule 3 and that the terms of each such Insurance Policy require the insurer not to invalidate the policy as against the Trustees 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 Trustees.

##### **2. INSURANCE PREMIUMS**

The Mortgagor shall promptly pay all premiums in respect of each Insurance Policy and do all other things necessary to keep such policy in full force and effect; and shall (if the Trustees so requires) produce to the Trustees the receipts for all premiums and other payments necessary for effecting and keeping up the Insurance Policies.

3. **NO INVALIDATION OF INSURANCE**

The Mortgagor shall not do or omit to do or permit to be done or omitted any thing that may invalidate or otherwise prejudice the Insurance Policies.

4. **INSURANCE POLICIES' PROCEEDS**

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

- 4.1. immediately be paid to the Trustees;
- 4.2. if they are not paid directly to the Trustees by the insurers, be held, pending such payment, by the Mortgagor upon trust for the Trustees; and
- 4.3. at the option of the Trustees, 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 Liabilities.

5. **LEASES AND LICENCES AFFECTING THE PROPERTY**

The Mortgagor shall not, without the prior written consent of the Trustees:

- 5.1. grant, or agree to grant, any licence or tenancy affecting the whole or any part of the 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 LPA; or
- 5.2. 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 Property; or
- 5.3. let any person into occupation of or share occupation of the whole or any part of the Property; or
- 5.4. grant any consent or licence under any lease or licence affecting the Property.

6. **NO RESTRICTIVE OBLIGATIONS**

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

7. **PROPRIETARY RIGHTS**

The Mortgagor 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 Property, without the prior written consent of the Trustees.

8. **COMPLIANCE WITH AND ENFORCEMENT OF COVENANTS**

The Mortgagor shall:

- 8.1. observe and perform all covenants, stipulations and conditions to which the Property, or the use of it, is or may be subject and (if the Trustees so require) produce to the Trustees evidence sufficient to satisfy the Trustees that those covenants, stipulations and conditions have been observed and performed; and
- 8.2. Diligently enforce all covenants, stipulations and conditions benefiting the Property and shall not (and shall not agree to) waive, release or vary any of the same.

9. **NOTICES OR CLAIMS RELATING TO THE PROPERTY**

9.1. The Mortgagor shall:

- 9.1.1. give full particulars to the Trustees 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 Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Notice; and
- 9.1.2. (if the Trustees so requires) immediately, and at the cost of the Mortgagor, take all reasonable and necessary steps to comply with any Notice, and make, or join with the Trustees in making, such objections or representations in respect of any such Notice as the Trustees may desire.

10. **PAYMENT OF OUTGOINGS**

The Mortgagor 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 Property or on its occupier.

**Schedule 4**  
**Powers of the Trustees**

**1. POWER TO REMEDY**

1.1 The Trustees shall be entitled (but shall not be obliged) to remedy a breach at any time by the Mortgagor of any of his obligations contained in this legal charge. The Mortgagor irrevocably authorises the Trustees and its agents to do all such things as are necessary or desirable for that purpose. Any monies expended by the Trustees in remedying a breach by the Mortgagor of any of its obligations contained in this legal charge shall be reimbursed by the Mortgagor to the Trustees on a full indemnity basis and shall carry interest in accordance with clause 15.1.

1.2 In remedying any breach in accordance with paragraph 1.1 of this Schedule 4, the Trustees, their agents and their respective officers, agents and employees shall be entitled to enter onto the Property and to take any action as the Trustees 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 Trustees under paragraph 1 of this Schedule 4 are without prejudice to any other rights of the Trustees under this legal charge. The exercise of those rights shall not make the Trustees liable to account as a mortgagee in possession.

**3. TRUSTEES HAVE 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 Trustees in relation to any of the Property whether or not it has taken possession of any Property and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

4. **INDULGENCE**

The Trustees may, at their 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 the Mortgagor) in respect of any of the Secured Liabilities or of any other security for them without prejudice either to this legal charge or to the liability of the Mortgagor for the Secured Liabilities.

**Schedule 5**  
**Powers of a Receiver**

1. **POWER TO REPAIR AND DEVELOP THE PROPERTY**

A Receiver may undertake or complete any works of repair, alteration, building or development on the 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 Property and may grant any other interest or right over the Property on such terms and subject to such conditions as he thinks fit.

3. **POWER TO EMPLOY PERSONNEL AND ADVISERS**

A Receiver may, for the purposes of this Schedule 5, 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 the Mortgagor.

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 Trustees may prescribe or agree with him.

6. **POWER TO REALISE PROPERTY**

A Receiver may collect and get in the 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 Property with like rights.

7. **POWER TO DISPOSE OF THE PROPERTY**

A Receiver may grant options and licences over all or any part of the 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 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 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 Property without the consent of the Mortgagor.

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 Property.

10. **POWER TO MAKE SETTLEMENTS**

A Receiver may make any arrangement, settlement or compromise between the Mortgagor 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 Property as he thinks fit.

12. **POWER TO INSURE**

A Receiver may, if he thinks fit, but without prejudice to the indemnity in clause 15.2, 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 the Mortgagor under this legal charge.

13. **POWERS UNDER LPA**

A Receiver may exercise all powers provided for in the LPA in the same way as if he had been duly appointed under that 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 Schedule 5, raise money by borrowing from the Trustees (or from any other person) on the security of all or any of the Property in respect of which he is appointed on such terms as he thinks fit (including, if the Trustees 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 the Mortgagor, 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 Property or any part of it.

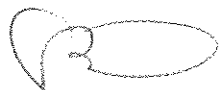
17. **INCIDENTAL POWERS**

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 Schedule 5, or which he lawfully may or can do as agent for the Mortgagor.



Executed as a deed by **THE TRUSTEES**

GEOFFREY BERNARD TURNER



JACQUELINE TURNER



in the presence of:

Witness Signature:

Witness Name:

Witness Address:

Witness Occupation:



KAREN JACKSON

45 STAVERTON ROAD

PETERBOROUGH PE4 6LY

SALES ADMINISTRATOR

Signed as a deed by **EDGAR TURNER**


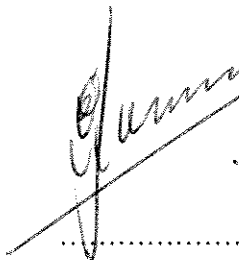
in the presence of:

Witness Signature:

Witness Name:

Witness Address:

Witness Occupation:



KAREN JACKSON

45 STAVERTON ROAD

PETERBOROUGH PE4 6LY

SALES ADMINISTRATOR